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# Bay Brokers Limited

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# INVESTMENT STRATEGIES



## SHAREMARKETS TEND TO RECOVER EARLY

The economy is expected to be tougher this year with a high risk of recession, but that doesn't necessarily mean it is all doom and gloom for investors. In fact, history suggests it is likely to be a better year for share markets, which tend to bottom out around six months ahead of the wider economy. For 2023, the interest rate tightening cycle and a mild recession were already priced into equities at this point. What's not priced into equities is a financial accident caused by tightening or a severe recession, so one of these two scenarios could still play out. But while there might well be more downside for investors in the next few months, an end does seem to be in sight.

Globally, what seems to be the likely course is that the US Fed's still going to talk tough for a couple of months. They will want to see more slack appearing in the labour market before they ease off and I think that will put more pressure on equities rolling into the start of the year. On top of that, we are starting to see an economic slowdown, that's going to be reflected in corporate earnings, which will probably be a little underwhelming for the first three to six months of the year. This will likely see equity markets bottom out in the first half of 2023, remembering that this has been an inflation-led cycle. Once that's under control, the Fed will be able to relax rates a little bit more, which will be beneficial for stocks.

VERSUS

### GLOBAL MARKETS – 2022 YEAR

| MARKET INDEX | CODE | 31-Dec-21 | 31-Dec-22 | Change |
|---|---|---|---|---|
| NZ50 Gross Index | ^NZ51 | 13,034 | 11,473 | -12.0% |
| ASX200 - Aust 200 Index | ^AXJO | 7,445 | 7,050 | -5.3% |
| FTSE100 - UK Top 100 Index | ^FTSE | 7,385 | 7,513 | 1.7% |
| US Dow Jones Industrial | ^DJI | 36,338 | 33,211 | -8.6% |
| S&P500 - US Top 500 Index | ^GSPC | 4,766 | 3,849 | -19.2% |
| Nasdaq - US Tech Index | ^IXIC | 15,645 | 10,478 | -33.0% |

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## *STATISTICS NZ DATA*

| | |
|---|---|
| **Estimated population** at 25-January-2023 | **5,136,068** |
| **Māori population** June 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** Sept-22 year | **2.7%** |
| **Quarterly GDP** Sept-22 quarter | **2.0%** |
| **Inflation Rate (CPI)** Dec-22 year (flat) | **7.2%** |
| **NZ Govt Debt** at 30-June-2022 | **$61.85 bn** |
| **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%** |
| **Beneficiaries** (Job seeker/Solo/Supported living) | **348,339** |
| **(11.1% of workig-age population – up 2.2%, as at 31-Mar-22)** | |
| **Size of Māori Economy 2020** (2013: $42bn) | **$70 bn** |
| Size of NZ Economy (NZ GDP) Oct-22 year | **$359.5 bn** |
| **NZ Individual Income Tax** based on: | |
| At an income of $48,000 | **$7,420 (15.45%)** |
| At an income of $70,000 | **$14,020 (20.03%)** |
| At an income of $100,000 | **$23,920 (23.92%)** |
| At an income of $150,000 | **$40,420 (26.95%)** |
| At an income of $200,000 | **$58,120 (29.06%)** |
| **NZ Company Tax** in 2022 year | **$19.896 bn (16%)** |
| | **of total tax take, including GST** |

# 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.**

## QUAYSIDE'S RANIURU INDUSTRIAL DEVELOPMENT

Quayside Holdings (100% owned by your Regional Council) is now well underway in developing the 1st Stage of the Rangiuru Business Park.

A key ingredient is the Interchange that will allow direct access of the Eastern Motorway. The contract has been awarded, and work started in November 2022 for this.

This is an exciting progression on a development (with regional significance) that has been around 17 years in the making.


**EARTHWORK IS WELL UNDERWAY AT RANGIURU**

## BAY OF PLENTY CARBON EMISSIONS REPORT

**SOURCE:** AECOM, for BOPRC, Sept-22

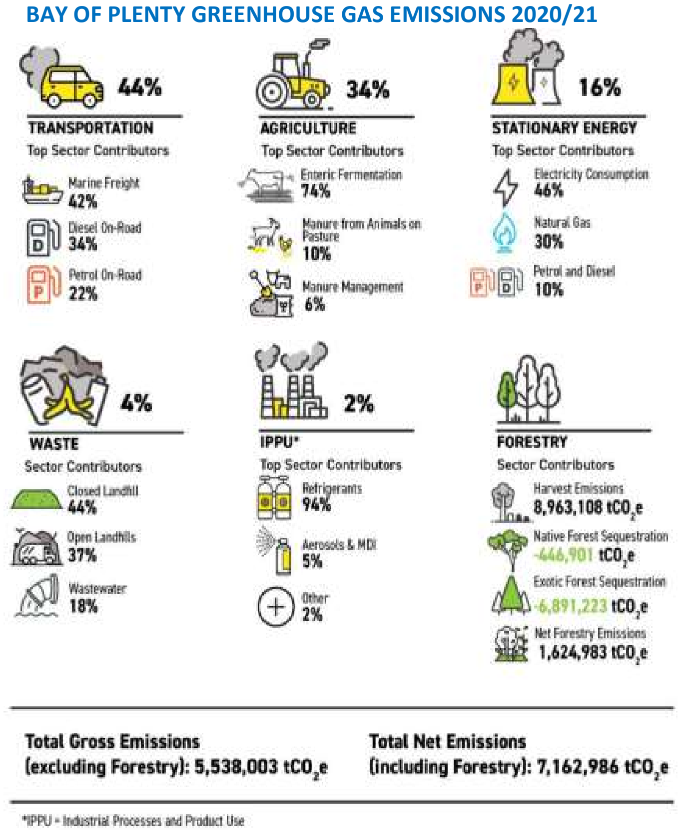
When we think about Climate Change and how to reduce our emissions to save our planet, it pays to understand the depth of the issues.

AECOM was contracted by BOP Regional Council to report on the Bay of Plenty's Greenhouse Gas emissions in the 2020/21 year. Total emissions in this year were 5,538,003 tonnes of $CO_2e$. To put this into perspective - White Island emits 2,300 t/$CO_2e$ daily – that is 839,500 tonnes annually (or 15% of BOPs total emissions).

- **Transport (road & air)** accounts for 44% of total emissions at 2,436,721 t/$CO_2e$. Petrol cars make you just 9.7% of total BOP emissions (536,078 t/$CO_2e$). Moving all commuters from their cars to public transport to reduce emissions will not even match White Islands emissions. Yes, we do need to move more commuters onto buses, but the best environmental, economic and social outcomes that we will achieve will be that we reduce congestion. Moving all commuters from their cars to public transport to reduce emissions would not even match White Islands emissions. Emissions is really a bit of a smoke screen...
- **Agriculture (livestock & crops)** accounts for 34% of our regional emissions.
- **Stationary Energy (consumption of electricity & natural gas)** produces 16% of our gross emissions.

The current government's ban on oil & gas exploration has just seen a huge increase in imported Indonesian (dirty) coal being burnt at Huntly, in order to maintain our energy supply.

**BAY OF PLENTY GREENHOUSE GAS EMISSIONS 2020/21**



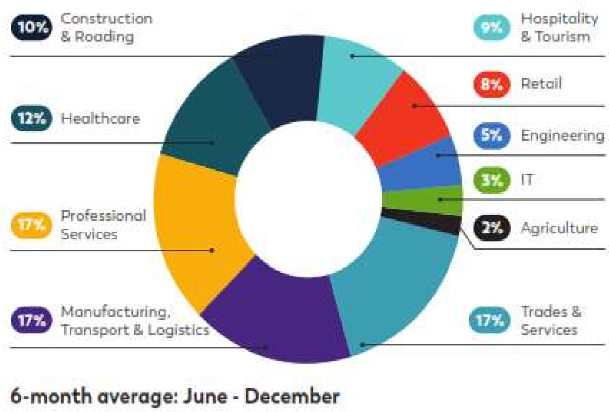

We need a much more pragmatic approach to our emissions ambitions. The questionable ideology of the left would have us all moving back into caves. We do need to do our bit, but not to the extent of destroying our economy – which is exactly where we are currently heading.

## ADVERTISED JOB TYPES

### TAURANGA & WESTERN BAY OF PLENTY DISTRICT

**SOURCE:** Priority One

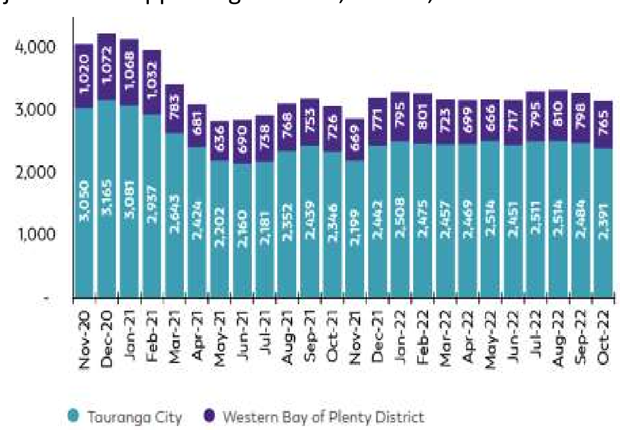
Though the number of advertised jobs has declined recently, there has been few changes in the advertised job types since the August economic report. When averaging over the past six-months, more than half of all jobs advertised on the Trade Me and Seek platforms continue to be shared equally cross the Professional Services, Manufacturing Transport & Logistics, and Trades & Services sectors.




## JOBSEEKER SUPPORT

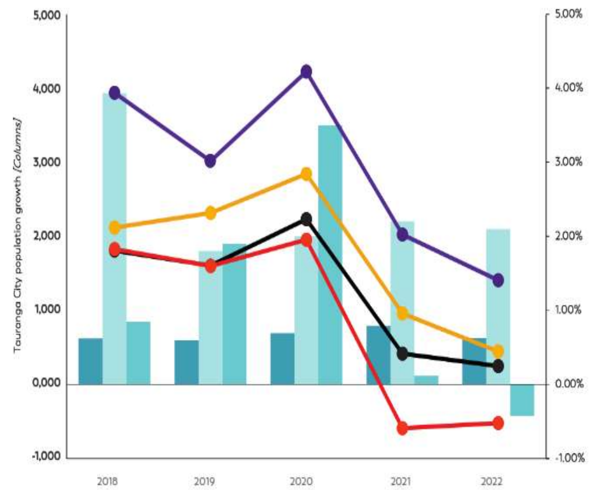
**SOURCE:** Priority One

Jobseeker support continues to remain steady since the second quarter of 2021. The averages for Tauranga City and Western Bay of Plenty District over the past 12 months sit at 2,451 and 751 respectively; an average total of 3,202. Though a positive shift from the 4,000+ jobseekers in the second half of 2020, numbers still remain much higher than the total pre-covid jobseeker support figures of 1,800 – 2,200.




## POPULATION & MIGRATION

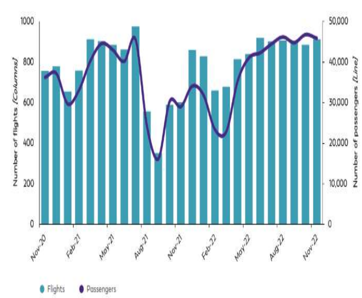
Tauranga City has continued to see its population grow over the past five years, from both domestic and international migration, plus a consistent natural growth. Net internal migration to Tauranga has remained strong, indicating the region as a favourable choice for those looking to relocate within New Zealand. Tauranga has also seen a significantly higher positive population change year on-year when compared to Auckland, Hamilton, and the total New Zealand population change.




| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Tauranga City: Natural | 600 | 600 | 700 | 800 | 600 |
| Tauranga City: Net Internal | 3,900 | 1,800 | 2,000 | 2,200 | 2,100 |
| Tauranga City: Net International | 800 | 1,900 | 3,500 | 100 | 400 |
| Tauranga City: Estimated Change | 3.94% | 3.02% | 4.22% | 2.03% | 1.41% |
| Hamilton City: Estimated Change | 2.12% | 2.31% | 2.84% | 0.96% | 0.45% |
| New Zealand: Estimated Change | 1.81% | 1.60% | 2.23% | 0.42% | 0.25% |
| Auckland City: Estimated Change | 1.83% | 1.60% | 1.96% | -0.59% | -0.52% |

***Natural growth:*** *Total births minus deaths within the city.*
***Net internal:*** *Total net domestic emigration/migration from/to regions within the country.*
***Net international:*** *Total net international emigration/migration from/to New Zealand.*
***Estimated change:*** *The estimated increase/decrease in population compared to the previous year.*

## TAURANGA AIRPORT FLIGHTS




A clear decrease occurred around the August lockdown in 2021. However, flights and passenger numbers have gained some stability since Covid-19 restrictions lifted and border restrictions eased this year- with more than a quarter-of-a-million passengers across 5430 flights in the past six months.

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13 January 2023

**WHAT DOES THE NET ASSETS VALUE OF NEW ZEALAND HOUSEHOLDS LOOK LIKE?**
**(The data is as at March 2022 but with house prices having slipped back over the last six months it could still be quite realistic.)**

| **Liabilities** | | **Assets** | |
|---|---|---|---|
| Household Mortgages | $232 billion | House and Sections | $1,306.65 billion |
| Consumer Loans | $14.71 billion | Currency Asset | $5 billion |
| Student Loans | $16 billion | Deposits with Banks | $209 billion |
| | $262.71 billion | Other Securities | $4 billion |
| Suggested Net Assets of All New Zealand Households (1) | $2,421.08 billion | Loans | $0.3 billion |
| | | Share Market (Unlisted) | $98 billion |
| | | New Zealand Businesses | $665 billion |
| | | Share Market (Listed) | $124 billion |
| | | Life Assurance/Superannuation | $136 billion |
| | | Other Assets | $135.84 billion |
| | $2,683.79 billion | | $2,683.79 billion |

Note:
(1) Based on, say, 1,953,900 New Zealand households, this represents around $1,239,101 per household,

Thoughts and Comments arising from the Schedule:

1. The data, in the main, is coming from the New Zealand Statistics Department and is relatively new data - very often in the past household net assets only applied to housing assets and net assets and not overall assets.
2. The net assets involved with housing and net assets not involved with housing are both significant and relatively similar in value.
3. The household deposits in the NZ banking system of $209 billion are surprising and represent $109,424 per household.
4. This sort of data alters every day.
5. The data is suggesting housing assets of

| | |
|---|---|
| The data is suggesting housing assets of | $1,306.65 billion |
| Less long-term debt | ($232.00 billion) |
| | $1,074.65 billion |
| Non-housing assets of | $1,377.14 billion |
| Less related debt | ($30.71 billion) |
| | $1,346.43 billion |

6. The average net assets per household of $1,239,101 is surprisingly high and there will be some enormous variations across the whole country.
7. Presumably the $135.84 billion of other assets includes furniture, boats, cars, household chattels, toys, lawnmowers, artwork, jewellery etc - it comes out at $69,522 per household, which seems possible.
8. The data surprised the writer at first sight - I have attached the New Zealand Department of Statistics publication of 14 July 2022, which shows the key figures.

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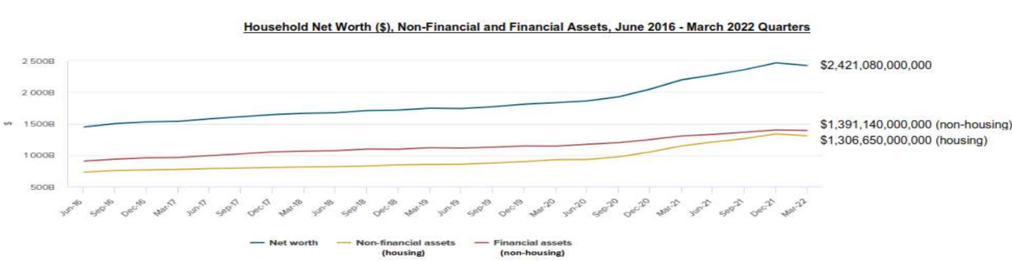
**STATISTICS NEW ZEALAND, 14 JULY 2022**




Liabilities: $262.71 billion

# OUR POLITICAL CLIMATE

## THE PROBLEM FOR CHRIS HIPKINS

Chris Hipkins is much more pragmatic than Jacinda Ardern – and he is much more centrist. His big problem is that, despite his strong ability to spin (just like Jacinda) his track record where it matters has been an absolute failure.

Chris Hipkins has long been the Minister of Education, and Labour's education statistics have been abysmal. New Zealand is in deep trouble if we don't resolve the massive truancy issue (60% of our students are not regularly attending school – and this is particularly dismal for young Māori). Literacy and numeracy outcomes are now very much at third world standards, and we have allowed a generation of (predominately) young Māori to congregate to gangs and crime, rather than getting an education. This will prevent them from genuinely entering the New Zealand workforce.

**Hipkins has not only been the Minister of Education, but he also took over the Police portfolio over a year ago, and nothing has changed on Labour's track record of being "soft on crime".**

So Hipkins has a credibility issue, and no amount of spin will change that. Sure, he will try – but he was an integral part of the Ardern Labour inner Cabinet, and as such must bear the responsibility for Labour's failure to make any improvement in New Zealand's standard of living. The reality is that New Zealand has gone very far backwards in the past 5 years, and that is why we need a change of government in October.

There's already been disappointment expressed from the Left that neither the new PM nor his deputy is Māori. If Hipkins can't offer assurances that his government will meet NZ's co-governance commitments under the UN Declaration on the Rights of Indigenous People and give Māori equal say in the governance of waters infrastructure, then he risks again seeing their support withdrawn.
Luxon also needed to harden up and show that he really does stand for something – and pussyfooting on the issue of co-governance was (before Rātana) his "Achilles heel". Hipkins will get a "holiday period" as a new Prime Minister, and this is the time for Luxon to prove his credentials as a worthy alternative.

The only way to safeguard equality of suffrage in New Zealand, will be to vote the Labour Government out.

## ARDERN DECIDED TO KEEPS IT CO-GOVERNANCE PLANS SECRET UNTIL AFTER THE ELECTION

The Cabinet agreed on Monday 26TH December that ministers wouldn't receive any further reports on developing a draft plan in response to the United Nations Declaration on the Rights of Indigenous Peoples until 2024. This doesn't mean they plan to drop this ambition - it just means they want to wait until after the election before they reignite the issue. The key now is to see how Hipkins deals with this issue.


**To be clear, I have no problem with recognising the Treaty of Waitangi, but what I do object to is the constant reinterpretation than Māori believe they are intitled to include in the Te Tiriti o Waitangi version.**

It will be interesting to see how Chris Hipkins manages this issue. This will be a huge challenge for him, with such a strong Māori Caucus within the Labour Party.

However, you can be sure that National and Act will use the election campaign period to highlight the abuse of the democratic process that Labour are commited to. We already know they are in favour of giving people on the general roll only 39% of the vote of people on the Māori roll. We also know that Labour favours having unelected representatives on local Councils, who will have the same vote as elected Councillors.

## THE SCIENCE CURRICULUM

A letter from a NZ science teacher about the new science curriculum indicates where Chris Hipkins has been taking our school curriculum.

**Here is some of what will be taught in science:**

- That mātauranga Māori is equivalent to science
- That science is a Western knowledge system
- The study of Māori gods and "their powers"
- The tale of Maui and Aoraki
- The concept of mauri, that inanimate objects have a life force

The latter three would be fine in a social studies class, but not in a science class.

## LUXON STEPS UP ON CO-GOVERNANCE

National leader Christopher Luxon has addressed the controversial topic of co-governance at Rātana Pā on 24th January, saying Labour had confused the term.

Luxon said he was enjoying his first visit to Rātana, the Māori religious festival, a place you could "disagree without being disagreeable." Speaking to media, he said he had raised his views on co-governance in his speech at Rātana because the Government had been "messy" in its own approach to co-governance.

**He said he had wanted to be clear that National did not agree with co-governance in public services - but did want Māori to achieve and get ahead**. He did not believe co-governance in public services was the way to do that.

He said that departing Prime Minister Jacinda Ardern had not been able to articulate what was meant by co-governance or how far it would go. He denied that his own party had whipped up fear on co-governance, saying Ardern had not been willing to spend any of her political capital on explaining it "and as a result people have been left behind and now we have fear and division."

He said the issues facing Māori in their everyday lives were the same as for others - from cost of living to health. New Zealanders were proud of the Treaty settlement process, Luxon said, and co-governance in that respect had worked, but the recent moves on co-governance had been "messy" and confused people.

On Three Waters, Luxon said it was not too late to repeal the programme because the entities did not come into being until next year. "It is deeply unpopular and what you have is a government that has not listened at all. But Chris Hipkins has been part of the holy trinity ... for the last five years."

**Luxon said it was not believable or credible for Hipkins to now say he wanted to change direction and focus on the economy.**

Referencing co-governance, which Luxon was told at Rātana not to be afraid of, he stated that Labour had confused the term. National opposed co-governance in the delivery of public services, such as health, education and critical infrastructure, he said, but it did not mean National did not want Māori involved in decision-making. "By Māori, for Māori" could be within a coherent public service, he said.

## UKRAINE'S PRESIDENT ZELENSKYY'S VISIT SEES LUXON SHINE AS A GENUINE STATESMAN

The war in Ukraine entered New Zealand Parliament's debating chamber on Wednesday 14th December in the most direct manner yet: President Volodymyr Zelenskyy beaming in to share a message from Kyiv.

It was a moment that called for a meaningful response. But the leader that rose to the occasion wasn't Prime Minister Jacinda Ardern, who was ready to offer a further $3 million in humanitarian support for energy-stricken Ukraine as it heads into winter. And it wasn't ACT David Seymour and his unashamed politicking. It was the Opposition leader, Christopher Luxon.

***"This conflict is described as a war between Ukraine and Russia, but it is far bigger than that. It is a moral as well as a physical battle. It is, frankly, an existential threat to Ukraine, a war that Ukraine cannot and will not lose,"*** Luxon said, in a speech in response to Zelenskyy.

Luxon, who described Zelenskyy as "*our generation's Winston Churchill",* did not himself offer Churchill-style oratory. But he did speak to the war with moral clarity, calling it a conflict between *"brutality or diplomacy, autocracy or democracy*" and a terrible loss of life.

"*None of us, especially a small country like New Zealand, wants to believe that might is right … But this war has proved that when you have to fight for what you believe in, you need an army, weapons, ammunition, and friends to help defend your interests.*

*"This war has again highlighted the shortcomings of the United Nations, whose purpose is noble, but whose impact is weak. This international group could not prevent one authoritarian power launching a war on its neighbour.*"

Luxon won acclaim as a true Statesman, and New Zealand needs to reflect on the lessons from Ukraine – namely that we need to start investing more strongly in our armed forces.

## ELECTION DATE – 14TH OCTOBER 2023

Political commentator Bryce Edwards is picking that the 2023 election campaign will be more about the major parties' finance spokespeople as opposed to their respective leaders. His comments came after the Labour Government extended its fuel tax cut - but only for a short period - as Finance Minister Grant Robertson looks to zero in on the cost-of-living crisis.

However, you can be sure that the National Party won't fall for that trap. Jacinda Ardern was a "wilting flower" and Christopher Luxon will ensure that her Labour Party pays for its lack of (what was) promised transparency, and her inability to reign in the divisive ambitions of her Labour Party Māori Caucus. Hipkins might has now taken over as PM, but middle New Zealand see through this highly divisive policy, where Māori ambitions override "One Person, One Vote" aiming to give Māori unfettered power going forward.

National will endeavour to keep the messaging around wasteful spending, without tangible outcomes; the cost-of-living for middle New Zealanders and the "soft on crime" reality of outcomes that have exploded over the past 5 years.

The messaging that I got when door-knocking prior to the Hamilton Byelection was overwhelmingly "anyone but Labour" – New Zealanders are begging for the demise of this current Labour Government, and no amount of spin can turn that felling around any time soon.


## GRANT ROBERTSON CAN'T HELP THE SPIN

On 16th December the Government published its high-level spending and taxation plans (HYEFU) for its forthcoming Budget 2023. Minister of Finance Grant Robertson dutifully assured readers it would represent a wise and judicious balance between the need to "support" households and families, amid recession, and the need to be fiscally responsible.

These annual Budget Policy Statements are a requirement under the 1994 Fiscal Responsibility Act, which expects governments to publicly announce a target for a prudent level of public debt.

However, as Dr Bryce Wilkinson explains in his recent column, it appears much of the clarity and discipline in previous Budget Policy Statements has been lost. Prudent debt now appears to be set at or above whatever level is consistent with the track in Treasury's forecasts, he says.

## *LATEST POLITICAL POLLS*

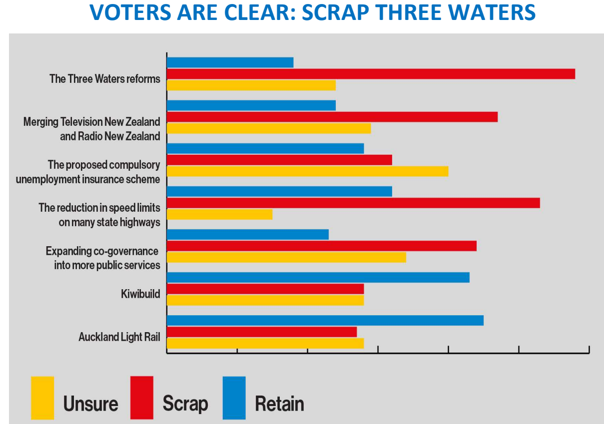
**CURIA/TAXPAYERS' UNION DECEMBER 2022 POLL**

| | Vote | Change* | Seats | Change** |
|---|---|---|---|---|
| National | 39.4% | 1.8% | 51 | 18 |
| Labour | 33.1% | (2.2%) | 42 | (23) |
| Act | 10.4% | 0.5% | 13 | 3 |
| Green | 8.1% | 0.2% | 10 | nc |
| māori | 3.5% | 1.9% | 4 | 2 |
| NZ First | 2.9% | (0.8%) | - | - |
| Other | 2.6% | -1.7 | - | - |

* Change from October ** Change since election

Polling Period: 1st to 6th Decembert 2022

### VOTERS ARE CLEAR: SCRAP THREE WATERS



A positive score means more voters want the next PM to keep the policy than scrap it. A negative score means that more voters want the next Labour leader to get rid of the policy than retain it. The results are pretty damning for some of Jacinda Ardern's flagship policies:

- Auckland Light Rail +18%
- Kiwibuild +15%
- Compulsory Unemployment Insurance -4%
- Reduction in speed limits -21%
- Expanding co-governance -21%
- TVNZ/RNZ Merger -23%
- Three Waters -40%

## 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.

## CONSUMER CONFIDENCE LOWEST ON RECORD

The Westpac McDermott Miller Consumer Confidence Index dropped by 12 points to 75.6 in December - its lowest point since the survey began in 1988, Westpac said.

Westpac said the survey indicated that there are far more New Zealanders who are pessimistic about the economic environment than those that are optimistic.

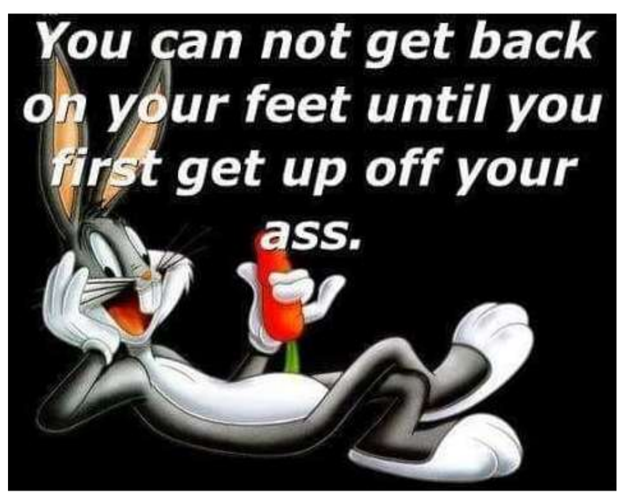
"*Households' finances are being squeezed as we head into the holiday season*," Westpac's acting chief economist Michael Gordon said. "*As well as increases in borrowing costs, the sharp rise in consumer prices is eating away at households' spending power."*

There had been particularly large increases in the cost of food, housing, and petrol prices over the past year. Consistent with that, the downturn in confidence had been widespread across age groups, income brackets and regions. "*Importantly, for large numbers of households, the pain is still ahead of them*," Gordon said.

## WELFARE NUMBER A TOTAL DISASTER

This Labour Government has not only been "soft on crime" but has also totally dropped the ball in terms of welfare.
The latest welfare stats show:

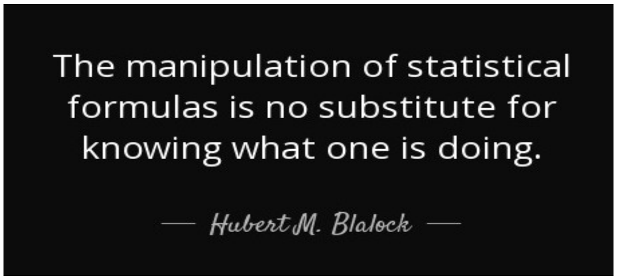
- 353,904 people of working age on a benefit - This is 22% higher than in Dec 2017
- Those on a benefit for more than 12 months up 26% to 257,865
- Māori on welfare up 26%
- Pacific Peoples on welfare up 35%
- Numbers on job seeker who are work ready up 51%
- Job seekers for more than 12 months up 49%
- Māori on job seeker up 41%
- Pacific Peoples on job seeker up 67%



## LABOUR IS MANIPULATING STATISTICS

**Source:** Kiwiblog, Owen Jennings

Statistics are being manipulated to make it look like crime is down. Listen to the Government and they will pull numbers showing theft crime is down, police numbers are up and there is nothing to worry about. Try telling that to a supermarket owner or the local corner dairy.




Gang numbers increased 50% between October 2017 and June 2021 to well over 8,000. The tough end of gang land operates in hard drugs monopolising the trade and pulling serious profits. The newbies run the car thefts, ram raids, shop thefts and nick stuff from supermarkets.

Police are now caught up in more and more welfare work, dealing with mental health issues, court time and endless paperwork. Labour is quick to point out extra police on the beat but the workload is up over 60% and the numbers barely 10%. More and more of the 'low level' crime is simply ignored because of a lack of resource.

Only about one third of recorded crime is solved and with a high level of crime not being recorded criminals are playing the odds knowing they have a high chance of never facing any consequences. Further should they be in the small group of apprehended they know those consequences will be a minimal disruption and cost. The old adage that crime does not pay is turned on its head.

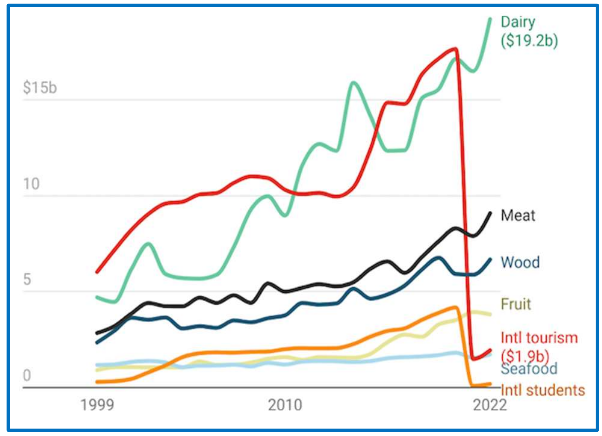
Figures show that the Auckland area has 1530 crimes per 10,000 people - 667 more than surrounding areas – and it shows a massive increase over previous years.

Australia has three times the coppers on the streets per head of population than Auckland. Maybe that is a factor in the major crime rate being only a third of ours per capita.

Those who say jail is not the answer and that more needs to be done to rehabilitate miscreants are losing both ways. No jail and no rehab. And so are we. The anti-jail lobby is working well with lots of help from the bench. Community service is a very sick joke with limited supervision, no penalties for "no shows" and guys just sleeping it off in the corner. Ankle bracelets and home detention means more porno movies and Maccas delivered by courier.

**The answer? Education and heavy intervention taking control through mentoring and tough love.**

## INTERNATIONAL STUDENTS AND TOURISM EXPENDITURE VERSUS PRIMARY EXPORTS




**Source:** Stats NZ

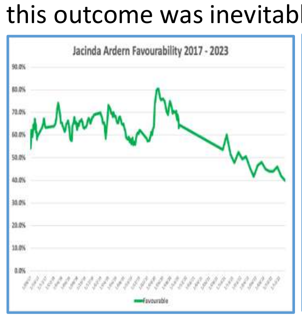
In late December Stats NZ published comprehensive analysis of the decline in tourism earnings. It doesn't yet include this summer's cruise ship figures, but it does track a precipitous drop that will take a long time to rebuild. One in every 19 NZers works in tourism, it says, yet the sector contributed only 3% ($10bn) to GDP, in the year to March. That's a year still defined by Covid, lockdowns and border closures – but even so, the data shows no promise of any recovery to pre-pandemic levels.
Some will say, quite rightly, that NZ shouldn't seek to rebuild the high-volume low-value package tourism of yesteryear. Fair enough. But it should have some new, sustainable tourism strategy. Currently, there really isn't one.

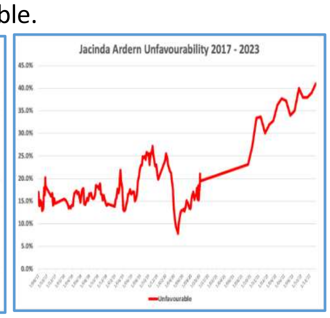
## THE RISE AND FALL OF JACINDA ARDERN

If every Prime Minister allowed individual vitriolic behaviour to drive them out of power, then democracy would be dead. This is the price of leadership globally.

Yes, raising a toddler while also leading the country is a big ask – but Jacinda knew that when she took the job on.

Jacinda's resignation (after only 5 years) was being signalled for the last year and should not have come as such a big shock as some made out. The tide was going out, and if she wanted to protect her international brand (for future international job opportunities), then this outcome was inevitable.



# NZ’S FATALLY FLAWED CLIMATE CHANGE STRATEGY

**SOURCE:** Newsroom Pro, Dame Anne Salmond

Dame Anne Salmond is a Distinguished Professor in anthropology at the University of Auckland, and 2013 New Zealander of the Year.

***New Zealand urgently needs a sustainable carbon strategy focused on native forests to provide long-term carbon sequestration without the need to buy dubious offshore offsets.***

A recent article in the *Guardian* based on research into Verra, the world’s largest global carbon-offsetting scheme, reveals more than 90% of its tropical rainforest carbon credits are worthless, making no positive impact on climate change.

In a subsequent article, the *Guardian* shows that the fossil fuel company Shell was heavily involved in setting up Verra and its rules. Like New Zealand, Shell has placed carbon offsetting at the heart of its climate change strategy, although the research indicates that many of the claims made about the efficacy of such schemes cannot be trusted.

The implications of this research for New Zealand’s carbon strategy are fundamental. At present, New Zealand relies heavily on carbon offsetting to meet its Nationally Determined Contribution (NDC) under the Paris Agreement, through the purchase of international credits and through the Emissions Trading Scheme (ETS).

On both scores, New Zealand’s strategy is fatally flawed. While the government proposes to make up shortfalls in meeting our NDC with the large-scale purchase of international credits, given the research into Verra and its ‘phantom credits’, it is highly likely that in future this kind of offsetting will be tightly controlled or excluded under international conventions. This would leave New Zealand unable to meet its carbon targets.

Worse still, New Zealand’s ETS relies almost exclusively on exotic monocultures for carbon capture. Given the biodiversity crisis, and the growing risks of fire, disease and other environmental impacts of tree plantations, the use of this kind of offsetting has been condemned by the IPCC as among "the worst practices and negative adaptation trade-offs" for tackling climate change.

***While exotic tree monocultures have an important role to play in New Zealand as a sustainable source of timber for construction and other products, industrial monocultures of short-lived trees, whether harvested or not, should not be relied on for long-term carbon capture.***

During recent environmental disasters in Tairāwhiti, Tasman and elsewhere, where slash and sediment from poorly managed harvesting operations destroyed houses, fences, roads, bridges and paddocks ravaging landscapes and communities, **ratepayers and taxpayers are again left to pick up the costs**. The fines imposed by the courts on forestry companies for breaches of resource consents are trivial in comparison. Locals who love these landscapes and seascapes are devastated.

**At the same time, this Labour Government seems more concerned with the forestry lobby than with local people.**

# THE TREATY OF WAITANGI

### Bay of Plenty Regional Council's definition of the Treaty of Waitangi

Below is what our Regional Council was asking Councillors to sign up to before Christmas, as in their "Code of Conduct" document…

Te Tiriti o Waitangi - The Bay of Plenty Regional Council Toi Moana (Regional Council or Council) commits to operating in a manner that recognises and respects the significance of the principles of Te Tiriti o Waitangi and acknowledges the following principles:

1. **Tino Rangatiratanga:** The principle of self-determination provides for Māori self-determination and mana motuhake. This requires local authorities to be open to working with mana whenua partners in the design and delivery of their work programmes,
2. **Partnership:** The principle of partnership implies that local authorities will seek to establish a strong and enduring relationship with iwi and Māori, within the context of iwi and Māori expectations. Council should identify opportunities, and develop and maintain ways, for Māori to contribute to Council decisions, and consider ways Council can help build Māori capacity to contribute to council decision-making,
3. **Equity:** The principle of equity requires local authorities to commit to achieving the equitable delivery of local public services,
4. Active protection: The principle of active protection requires local authorities to be well informed on the wellbeing of iwi, hapū and whanau within their respective rohe,
5. **Options:** The principle of options requires local authorities to ensure that its services are provided in a culturally appropriate way that recognises and supports the expression of te ao Māori.

Principles of good governance

Members recognise the importance of the following principles of good governance.

- **Stewardship /Tāria te wā and kaitiakitanga:** members should use long-term perspective when making decisions. Decisions, which impact on past, current and future generations, also affect collective well-being.

I hold that we are a democratic society that firmly believe in equal citizenship for all – "**One vote, one person**." Below is what the staff at our Regional Council is asking me to sign up to. **To me this is plainly wrong and is synonymous with the woke leanings of this current Labour Government. It is leading to divisiveness and is contrary to my beliefs of "one person, one vote".**

## THE TREATY OF WAITANGI

**Source:** NZ History, https://nzhistory.govt.nz/politics/treaty-of-waitangi


The Treaty of Waitangi is New Zealand's founding document. It takes its name from the place in the Bay of Islands where it was first signed, on 6 February 1840. This day is now a public holiday in New Zealand. The Treaty is an agreement, in Māori and English, that was made between the British Crown and about 540 Māori rangatira (chiefs).

Growing numbers of British migrants arrived in New Zealand in the late 1830s, and there were plans for extensive settlement. Around this time there were large-scale land transactions with Māori, unruly behaviour by some settlers and signs that the French were interested in annexing New Zealand. The British government was initially unwilling to act, but it eventually realised that annexing the country could protect Māori, regulate British subjects and secure commercial interests.

Lieutenant-Governor William Hobson had the task of securing British sovereignty over New Zealand. He relied on the advice and support of, among others, James Busby, the British Resident in New Zealand. The Treaty was prepared in just a few days. Missionary Henry Williams and his son Edward translated the English draft into Māori overnight on 4 February. About 500 Māori debated the document for a day and a night before it was signed on 6 February.

Hobson and others stressed the Treaty's benefits while playing down the effects of British sovereignty on rangatiratanga (chiefly authority). Reassured that their status would be strengthened, many chiefs supported the agreement. About 40 chiefs, starting with Hōne Heke, signed the Māori version of the Treaty on 6 February. By September, another 500 had signed the copies of the document that were sent around the country. Some signed while remaining uncertain; others refused or had no chance to sign. Almost all signed the Māori text. The Colonial Office in England later declared that the Treaty applied to Māori tribes whose chiefs had not signed. British sovereignty over the country was proclaimed on 21 May 1840.

### Waikato–Manukau Treaty copy (English)

The Treaty is a broad statement of principles on which the British and Māori made a political compact to found a nation state and build a government in New Zealand. The document has three articles. In the English version, Māori cede the sovereignty of New Zealand to Britain; Māori give the Crown an exclusive right to buy lands they wish to sell, and, in return, are guaranteed full rights of ownership of their lands, forests, fisheries and other possessions; and Māori are given the rights and privileges of British subjects.

### Waitangi Treaty copy (Māori)

The Treaty in Māori was deemed to convey the meaning of the English version, but there are important differences. Most significantly, the word ‘sovereignty’ was translated as ‘kawanatanga’ (governance). Some Māori believed they were giving up government over their lands but retaining the right to manage their own affairs.

The English version guaranteed ‘undisturbed possession’ of all their ‘properties’, but the Māori version guaranteed ‘tino rangatiratanga’ (full authority) over ‘taonga’ (treasures, which may be intangible). Māori understanding was at odds with the understanding of those negotiating the Treaty for the Crown, and as Māori society valued the spoken word, explanations given at the time were probably as important as the wording of the document.

Different understandings of the Treaty have long been the subject of debate. From the 1970s especially, many Māori have called for the terms of the Treaty to be honoured. Some have protested – by marching on Parliament and by occupying land. There have been studies of the Treaty and a growing awareness of its meaning in modern New Zealand.

It is common now to refer to the intention, spirit or principles of the Treaty. The Treaty of Waitangi is not considered part of New Zealand domestic law, except where its principles are referred to in Acts of Parliament. The exclusive right to determine the meaning of the Treaty rests with the Waitangi Tribunal, a commission of inquiry created in 1975 to investigate alleged breaches of the Treaty by the Crown. More than 2000 claims have been lodged with the tribunal, and a number of major settlements have been reached.

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**“Labour-led governments have been the greater idealists, often pushing the boundaries of reform beyond what initially appears acceptable. National-led governments have generally been less innovative and more pragmatic, knocking off the rough edges of Labour initiatives, and thereby letting a new equilibrium settle.”**

Peter Dunne

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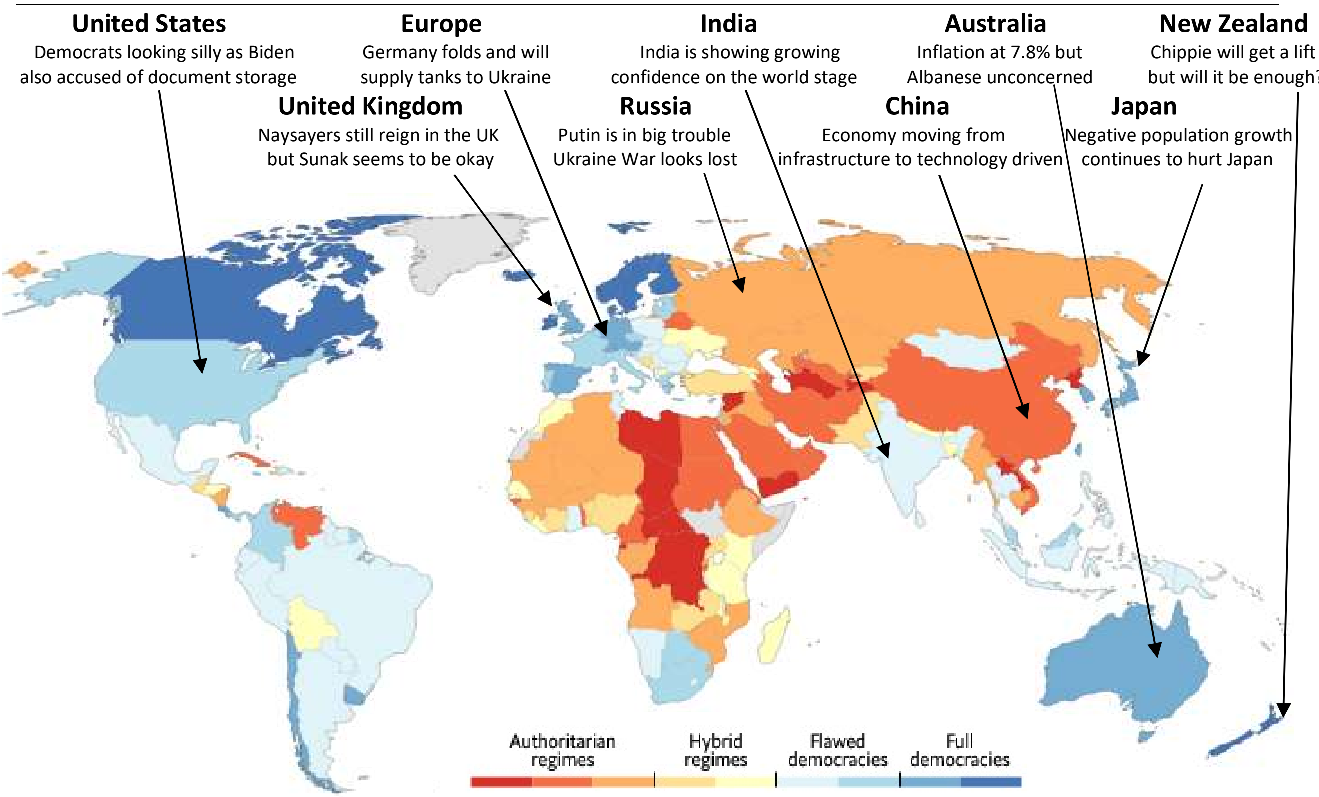
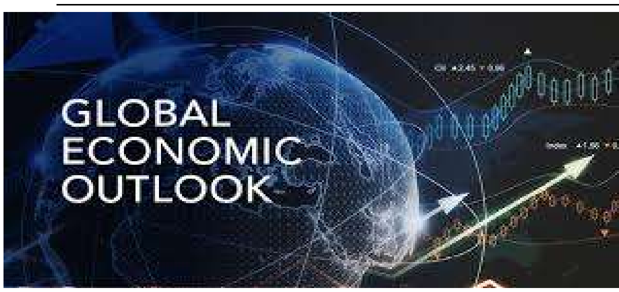
# THE WORLD AT A GLANCE

## GLOBAL DEMOCRACY INDEX




# THE GLOBAL ECONOMIC OUTLOOK




### RECESSION IS COMING

Some say central banks have done too little too late, some say they've acted too aggressively. Ahead of food and rent price statistics, what decision-makers mostly agree is that there's a new outcrop of inflation looming. NZ and the world face a hard landing in which millions may lose their livelihoods.

A third of the global economy will be hit by recession this year, the head of the IMF has said, as she warned that the world faces a "tougher" year in 2023 than the previous 12 months. The US, European Union and China are all slowing simultaneously, IMF managing director Kristalina Georgieva said. "*This year we expect one-third of the world economy to be in recession including half of the European Union.*"

The rapid spread of Covid in China now that its president Xi Jinping has dropped the country's severe containment policy means that the country faces a fresh economic blow in the short term, according to the IMF.

### INFLATION

| G20 Countries (+NZ) | Latest Inflation | Updated | Forecast Q1/23 |
|---|---|---|---|
| China | 1.8% | Dec-22 | 2.5% |
| Switzerland | 2.8% | Dec-22 | 3.0% |
| Saudi Arabia | 3.3% | Dec-22 | 2.5% |
| Japan | 4.0% | Dec-22 | 4.2% |
| South Korea | 5.0% | Dec-22 | 5.6% |
| Indonesia | 5.5% | Dec-22 | 5.5% |
| Spain | 5.7% | Dec-22 | 5.1% |
| India | 5.7% | Dec-22 | 5.3% |
| Brazil | 5.8% | Dec-22 | 4.7% |
| France | 5.9% | Dec-22 | 5.5% |
| United States | 6.5% | Dec-22 | 6.0% |
| Singapore | 6.7% | Nov-22 | 5.6% |
| South Africa | 7.2% | Dec-22 | 6.8% |
| **New Zealand** | **7.2%** | **Dec-22** | **6.2%** |
| Australia | 7.8% | Dec-22 | 7.0% |
| Mexico | 7.8% | Dec-22 | 7.2% |
| Germany | 8.6% | Dec-22 | 6.5% |
| Euro Area | 9.2% | Dec-22 | 9.2% |
| Netherlands | 9.6% | Dec-22 | 8.5% |
| United Kingdom | 10.5% | Dec-22 | 9.4% |
| Italy | 11.6% | Dec-22 | 8.7% |
| Russia | 11.9% | Dec-22 | 8.7% |
| Turkey | 64.3% | Dec-22 | 60.0% |
| Argentina | 94.8% | Dec-22 | 101.0% |

After the recent US OCR rate hike Fed Chair Jerome Powell stated that "*The chances of a soft landing are likely to diminish*" and "*No one knows whether this process will* *lead to a recession or, if so, how significant that recession would be."* He then went on to say that *"We have got to get inflation behind us. I wish there were a painless way to do that. There isn't."*

While US employment data remains solid, the housing market is coming under pressure with prices falling and mortgage applications in early October 37.2% lower than a year ago. The 30-year mortgage rate is now around 6.75%, having doubled in less than a year and up a staggering 1.30% since early August. While consumer confidence was up slightly in September, mainly due to lower gasoline prices, ongoing falls in equity markets and house prices means that the outlook is mixed at best.

Europe continues to be battered by higher energy prices and falling global demand but despite this the ECB is expected to continue to hike rates as its focus is also exclusively on inflation. Recent comments from the ECB said that it expected a recession over the winter and the 2023/24 winter "*will also be challenging*". It expects "*high inflation and sluggish growth until at least 2024."*

Things aren't much better in China, despite a relatively benign inflation outlook. For the first time in 40 years China's annual growth is likely to be at or below global growth, the IMF Chief said, meaning it could drag down worldwide economic activity rather than propelling it. "*That has never happened before*."

## New Zealand's Economic Outlook

**POPULATION: 5.2 MILLION**

When Ardern notched her surprise upset victory in 2017, New Zealand's economy was much in the middle, globally speaking. And it is still, today — except the world economy is functioning less well, and so is New Zealand's. NZ has a small, open and not especially competitive economy. Its moniker — the "shaky isles" — is an accurate one - at the mercy of global events, highly susceptible to changes in the Chinese economy and at constant risk of natural disaster because it is situated on multiple earthquake fault lines.

The new year has gotten off to a rocky start for the New Zealand economy. Signs of a downturn in both the household and business sectors are mounting. And with a significant tightening in financial conditions over the past year, we expect that economic activity will continue to weaken over 2023. Despite that, we're yet to see signs that inflation pressures are easing.

### The Surge Before the Slowdown

The New Zealand economy surged forward again with a 2% lift in GDP in the September quarter. That was well ahead of the respectable 0.9% rise that the market was expecting, and the 0.8% increase that the Reserve Bank had forecast in its November Monetary Policy Statement.

However, New Zealand is "pretty much" already in recession. It comes after a new business confidence survey found almost three-quarters of businesses expected the economy to deteriorate in the coming year. The Westpac McDermott Miller Consumer Confidence Index took a 12-point hit in the December quarter to 75.6, far below the confidence threshold of 100.

This is the lowest consumer confidence has been on this survey since it began in 1988. Confidence among households has only ever been close to this low during the recession of the early 1990s and during the 2008/09 Global Financial Crisis.

On top of that, recruiters have said job listings were down 27% from this time last year - signalling New Zealand's record-low unemployment rate could be coming to an end.

Throw rising interest rates into the mix as well, all things were pointing towards recession - something the Reserve Bank (RBNZ) late last year admitted to purposely engineering to take demand out of the economy and bring red-hot inflation down.

"*We saw through the Christmas period that people weren't spending quite as much as we would have expected them to, given how much pent-up demand there was in the lead-up to Christmas,*" Eaqub said.

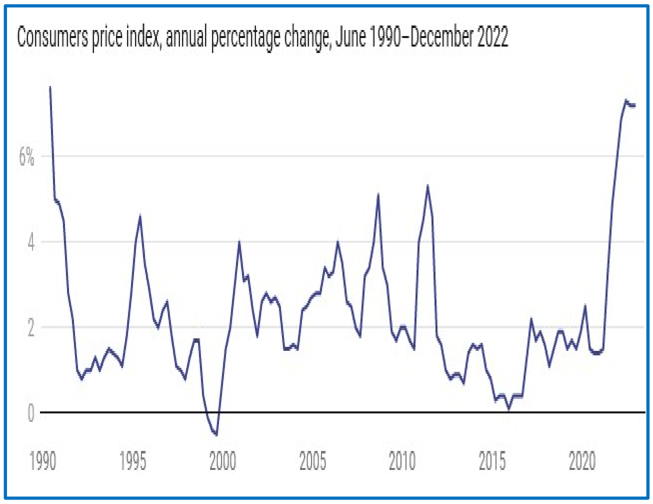
### Inflation Well Embedded

| INFLATION RATE NZ's Top 15 Trading Partners | |
|---|---|
| Italy | 11.6% |
| United Kingdom | 10.5% |
| Germany | 8.6% |
| Australia | 7.8% |
| **New Zealand** | **7.2%** |
| UAE | 6.8% |
| Singapore | 6.7% |
| USA | 6.5% |
| Thailand | 5.9% |
| France | 5.9% |
| Indonesia | 5.5% |
| South Korea | 5.0% |
| Vietnam | 4.6% |
| Japan | 4.0% |
| Malaysia | 3.8% |
| China | 1.8% |

### Food Prices Keep Rising

Experts say there is no evidence inflation pressures are easing after Stats NZ revealed annual food prices jumped the highest in 32 years. Food prices rose 1.1% in the month of December and were 11.3% higher than a year earlier, the highest increase since April 1990.

**ANNUAL INFLATION SINCE 1990**

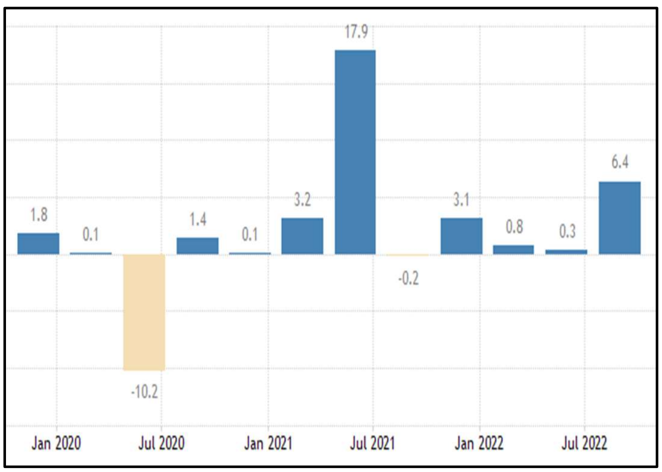



Inflation in New Zealand has remained steady at 7.2% for the December 2022 year.

### GDP Growth

GDP is now around 8% above where it was at the end of 2019, before the shock of Covid. Half of this has come in the last two quarters alone, as the return of international tourists has boosted activity to a surprising degree – even more than the already-strong allowance that we'd made in our forecasts.

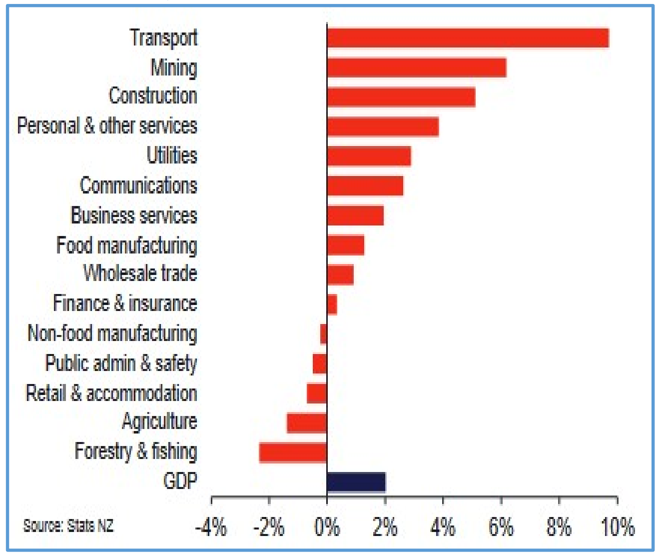
**NZ – ANNUAL GDP GROWTH RATE**




To be clear, the strength in the September quarter wasn't entirely about tourism. There were solid gains across a range of personal and business services, including professional services (up 2.1%), information and communications (up 2.6%) and wholesale trade (up 0.9%). The electricity sector saw a 2.9% lift, as full hydro lakes boosted higher-value renewables generation.
There was also a strong 5.1% lift in construction activity, with gains across homebuilding, commercial construction and infrastructure work. The rising costs of labour, materials and finance are undoubtedly putting pressure on this sector, but the pipeline of consented work remains very strong for now.

The stars of the quarter, though, were the travel-related sectors. Transport was up by a whopping 9.7%, providing both the single biggest contribution to GDP growth and the biggest miss on Westpac's forecast. Administrative services, a group that includes travel agencies, was up 7%, and arts and recreational services were up 2.8%. Accommodation recorded a small decline, but that followed a 30% jump last quarter – and the usual seasonal patterns in this sector may have been disrupted.

**Q3 GDP GROWTH BY PRODUCTION**




Indeed, the strength in these sectors is providing a real challenge in terms of how to read the state of the economy. In GDP terms, all of them are now running above their pre-Covid highs – at a time when overseas visitors were still only half of what they used to be.

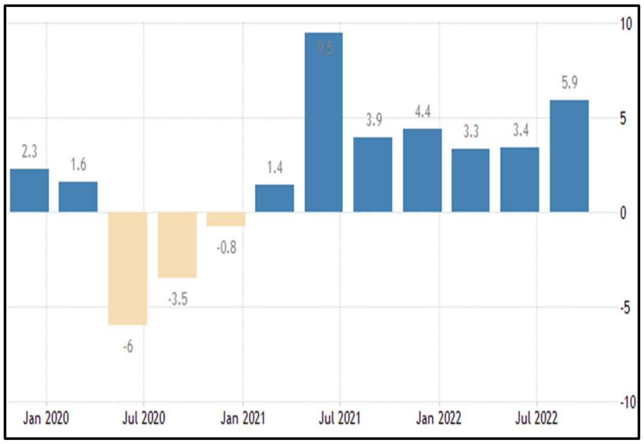
## Australian Economic Outlook

**POPULATION: 27.1 MILLION**

The aggressive stance from the Fed and the RBNZ is in stark contrast to where The Reserve Bank of Australia ("RBA") is at currently. The day before the RBNZ hike, the RBA increased its cash rate by 0.25%, to 2.60%. In its press release, the RBA stated that, "*The cash rate has been increased substantially in a short period of time. Reflecting this, the Board decided to increase the cash rate by 25 basis points this month as it assesses the outlook for inflation and economic growth in Australia*".

Australia's Reserve Bank also had a more balanced view on inflationary pressures stating that while inflation was expected to increase over the months ahead, it is expected to fall next year as "*the ongoing resolution of global supply-side problems, recent declines in some commodity prices and the impact of rising interest rates*" flow through the system. The RBA is acknowledging that there is a significant lag between rate hikes and their impact on inflation, which has seen it slow down its hiking cycle as it looks to assess the impact of the hikes made to-date.

**AUSTRALIA – ANNUAL GDP GROWTH RATE**




## 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 is likely to escape the worst of the global downturn, thanks in part to its strong labour market, IMF Head Georgieva said. The US "*may avoid a recession*" because its unemployment is so low, she said. "*If that resilience...holds [in 2023], the US would help the world to get through a very difficult year*," she said. "*The US economy is remarkably resilient*."

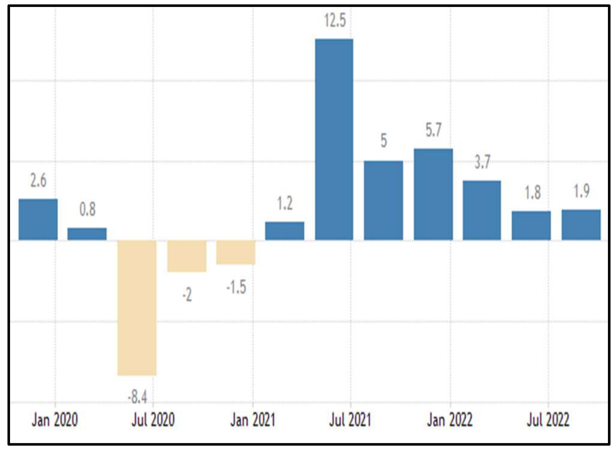
US unemployment stands at 3.7% and the country added a better than expected 263,000 jobs in the November non-farm payrolls. Economists at Morgan Stanley expect the unemployment rate to be unchanged in December and for the US to add 185,000 jobs.

Late last month, US gross domestic product for the third quarter was revised higher to 3.2%, from 2.9% in November.

However, economists polled by the Financial Times expect US unemployment to jump to 5.5% this year and 85% of economists surveyed expect a recession in 2023. Forecasters at Capital Economics have said there is a 90% chance that the US is in a recession in the next six months. "*While the US recession is likely to be mild, the eurozone will suffer a larger downturn due to the huge hit to its terms of trade caused by the Ukraine war*," Capital Economics said in December.

Bank of America's chief economist Michael Gapen said the risk of a recession in the US was "*high*", but any recession "*may not be a deep and prolonged one*. *It's not for certain*," he said, adding that 2023 could still be a difficult economic year as the Federal Reserve continues to fight inflation.

**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.

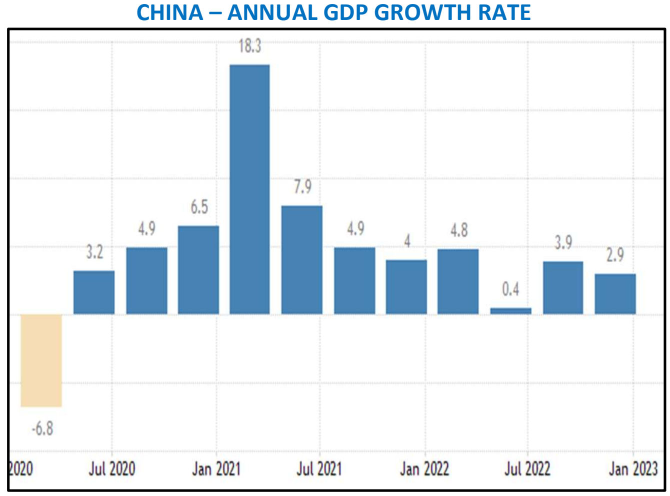
### CHINESE ECONOMY

The Chinese economy expanded 2.9% YoY in Q4 of 2022, easing from a 3.9% growth in Q3 but above market estimates of a 1.8% rise. Industrial output increased the least in seven months in December, retail sales remained weak, while the surveyed jobless rate dropped from November's 6-month high.

For the full year of 2022, the economy grew by 3.0%, missing the official target of around 5.5% and marking the second slowest pace since 1976 amid the impact of Beijing's zero-COVID policy.

"In 2022, the foundation of economic recovery is not solid as the global situation is still complicated and severe while the domestic triple pressure of demand contraction, supply shock, and weakening expectations is still looming," the statistics bureau said. China's leaders are set to announce the 2023 GDP growth target in March at an annual parliamentary meeting. It will be the first such gathering since President Xi Jinping consolidated his power in October 2022.

**CHINA – ANNUAL GDP GROWTH RATE**



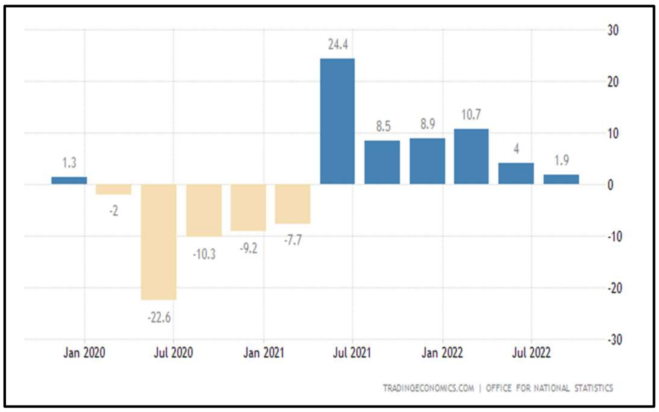
# United Kingdom Economic Outlook

**POPULATION: 68.4 MILLION**

### UK ECONOMY

The British economy expanded 1.9% year-on-year in the third quarter of 2022, below a preliminary estimate of a 2.4% rise. It is the lowest reading since the contraction in Q1 2021. Business investment rose much less than initially expected (1.3% vs 3.5%) and government spending declined 0.2% (compared to initial estimates of a flat reading). On the other hand, household spending was revised slightly higher (1% vs 0.8%) and both exports (21.1% vs 18%) and imports (1% vs 7.2%) rose more.

**UNITED KINGDOM – ANNUAL GDP GROWTH RATE**




### INFLATION – 10.5% IN DECEMBER

Annual inflation rate in the UK fell to 10.5% in December of 2022 from 10.7% in November, matching market forecasts. It marks a second consecutive month of slowing inflation and the lowest rate in three months, after a peak of 11.1% in October. The largest downward contribution came from transport prices (6.5% vs 7.2%), namely motor fuels.

# EU Economic Outlook

**POPULATION: 447.7 MILLION**

German-made tanks look to be key to turning the tide of the war in Ukraine, and Germany has succumb to the growing pressure to provide them amid fears of a new Russian offensive.

Germany, which has enjoyed decades of close economic ties with Russia, had been hesitant to rovide Ukraine with its Leopard 2 tanks, and to approve the donation of German-made tanks from other allied nations. Western officials believe there is an impending "window of opportunity" in which Ukraine may be able to push Russian forces back and that Moscow is "running short of ammunition and trained troops" despite efforts to mobilise additional forces. Many believe that Germany's Leopard tanks could be "key" to forcing back Russian forces. They are in "more plentiful supply" than British tanks and are operated by "more than a dozen other nations".

Allies such as Poland and Finland are keen to provide Ukraine with their own German-made Leopard tanks. Defence officials from more than 50 countries gathered at the Ramstein air base in southern Germany recently, a day after several allied nations pledged more equipment to Ukraine to fend off further Russian offensives. Germany's long-standing reticence to wade into foreign conflicts" is in part due to "norms and policies built on guilt over World War II".

### 'TANKS FOR TANKS' DEAL WITH US

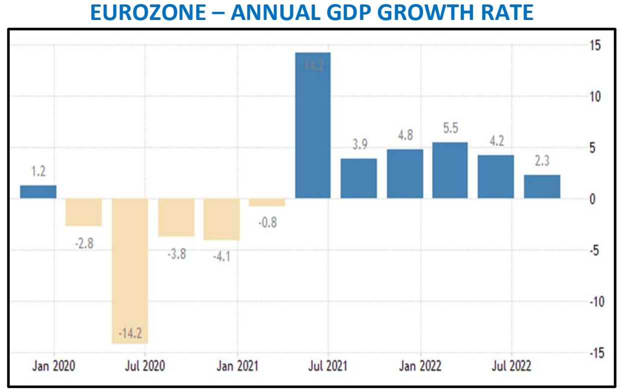
German Chancellor Olaf Scholz has agreed to send 14 Leopard tanks to Ukraine and the US has also agreed to supply 31 of its M1 Abrams tanks – "something the Pentagon has said for months it has no intention of doing given the logistical costs of maintaining them".

The UK, Poland, Finland and the Baltic states have all pushed for NATO members to provide heavier equipment to Kyiv "amid what they believe is a key inflection point in the war". Up until now only the UK has agreed to provide heavy weaponry in the form of tanks. It is set to send 14 of its Challenger 2 tanks, while other countries including Germany, France and the US have sent or pledged other armoured vehicles and air defence systems. The German agreement could well be a "game-changer" for Ukraine.

### EU INFLATION

The consumer price inflation in the Euro Area was confirmed at 9.2% year-on-year in December 2022, down from November's 10.1% and October's all-time high of 10.6%. Still, the rate remained well above the European Central Bank's target of 2.0%, suggesting policymakers might continue their policy tightening campaign for some time. A sharp deceleration in energy inflation (25.5% vs 34.9% in November) offset faster increases in the prices of services (4.4% vs 4.2%), non-energy industrial goods (6.4% vs 6.1%) and food, alcohol & tobacco (13.8% vs 13.6%). Meanwhile, the core rate, which excludes volatile items such as energy and food, picked up to a fresh record high of 5.2% in December. On a monthly basis, consumer prices fell 0.4%, the largest decline since August 2020.

**EUROZONE – ANNUAL GDP GROWTH RATE**



## Japan's Economic Outlook

**POPULATION: 123.3 MILLION**

Japan's population is in serious decline, but against this it is 4x more populated than Europe. Its foreign national population is a mere 2.76m (2.2% of its population).

The Bank of Japan has defied market pressure and left its yield curve control measures unchanged, sending the yen sharply lower and stocks higher as it stuck to a core pillar of its ultra-loose monetary policy.

Traders in Tokyo said the decision, which came after a two-day meeting, the penultimate under the BoJ's longest-serving governor, Haruhiko Kuroda, was likely to heap even greater pressure on his successor to end Japan's two-decade experiment in massive monetary easing.

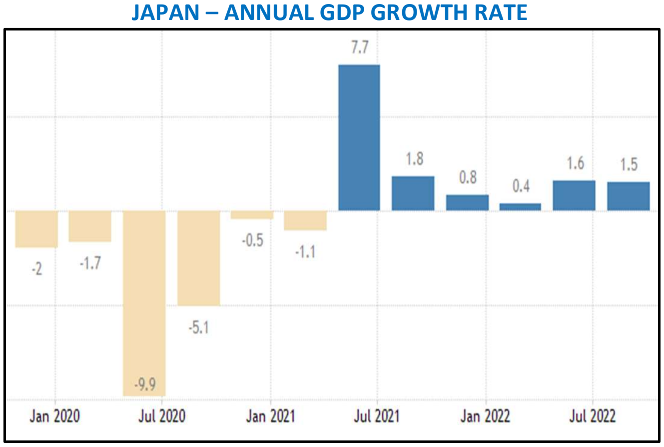
The BoJ's decision follows weeks of turmoil in the Japanese government bond market during which yields surged. The central bank deployed the equivalent of about 6 per cent of Japan's gross domestic product over the past month on buying bonds to try to hold yields within its target range.

Although currency markets have avoided the same turmoil that has gripped trading in Japanese government bonds, the yen dived almost 2 per cent against the US dollar in the minutes that followed the BoJ's announcement.

### GDP Growth remains positive

At this stage, the Bank of Japan (which is still in easing mode) are the exception to most other Central Banks and are prepared to charge ahead and hope they don't go too far. This is a bit of a worry considering these same BoJ central bankers are the ones that got the easing cycle so horribly wrong and completely missed the rapid build-up of inflation due to ongoing supply chain issues and the impact of the Ukraine war.

**JAPAN – ANNUAL GDP GROWTH RATE**




## India's Economic Outlook

**POPULATION: MILLION**

India is weeks away from overtaking China as the country with the largest population, according to latest UN projections.

The landmark event, predicted for mid-April, is a "*timely reminder of the growing influence that India and its activities exert on the rest of the world*", wrote Viraj Mehta of the World Economic Forum (WEF).

### India's geopolitical aspirations in 2023

After celebrating the 75th anniversary of Indian independence, the emerging Asian superpower assumed the G20 presidency in December – fuelling speculation about New Delhi's geopolitical goals and ambitions.

India has been "at the forefront of driving global action on climate change", said WEF's Mehta. India has co-founded the International Solar Alliance with France, "and in doing so, is leading the global movement towards solar power".

And in a "major step" in achieving India's long-term goal of reaching net zero by 2070, India's updated Nationally Determined Contribution (NDC), adopted under the Paris Agreement, "translates" Cop26 pledges into enhanced climate targets.

Despite these ambition goals, India has a mixed record on climate. The country is the world's third-largest emitter of CO2, although its per capita emissions are lower than the world average, according to the UN's latest Emissions Gap Report.

### Russia and Ukraine

Since the invasion of Ukraine, India has been buying more and more discounted Russian oil, despite global criticism. India imported around a million barrels per day in December. The oil deals have left India in an "odd position over the past year. Modi's government may be "holding its nose" at what Vladimir Putin is doing in Ukraine but is "unable to say much about it because it needs Russia".

### Nuclear hotspot

The Indian military was believed to have approximately 160 warheads as of last summer, and "continues to modernise its nuclear arsenal". The Federation of American Scientists (FAS) warned that tensions between India and Pakistan "constitute one of the most concerning nuclear hotspots on the planet". The two nuclear-armed nations engaged in "open hostilities" as recently as 2020, when Indian and Pakistani soldiers exchanged artillery and gunfire over the Line of Control, leading to at least 22 deaths. More recently, in March 2022, India accidentally launched what appeared to be ground-launched cruise missile 77 miles into Pakistani territory, damaging civilian property.

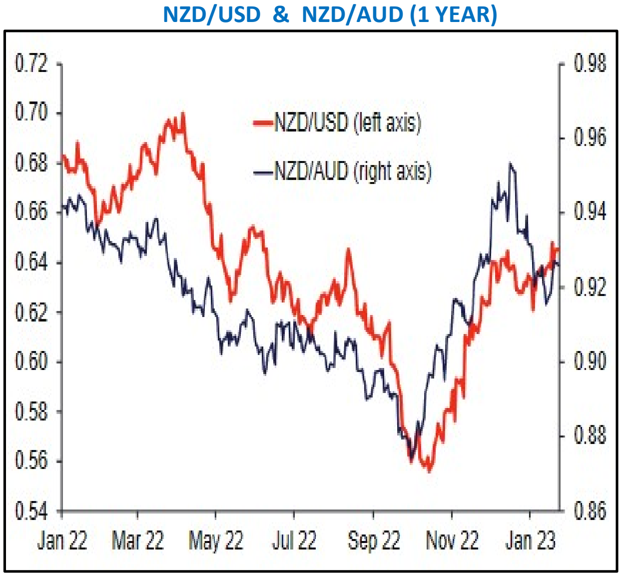
### Demographic 'time bomb'

With India on track to leapfrog China to become the world's most populous country, this "demographic dividend" could boost economic growth, according to CNN. India's working-age population is expected to rise from 900m to more than a billion over the next decade. But "there are fears the country might miss out", because "India is simply not creating employment opportunities for the millions of young job seekers already entering the workforce every year". India is "sitting on a time bomb," said a professor of organisational behaviour at the Indian School of Business. "There will be social unrest if it cannot create enough employment in a relatively short period of time."

## CURRENCIES

Markets now expect the RBNZ to downshift to a 50 basis point rate hike in February after delivering a record 75 basis point increase in November.

**NZD/USD & NZD/AUD (1 YEAR)**

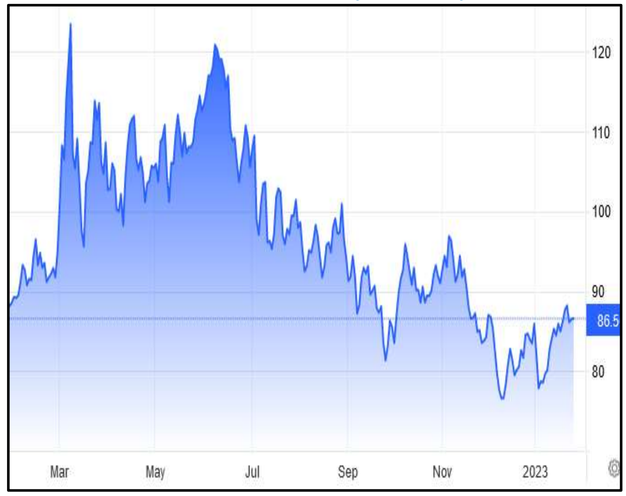



**Source:** Westpac

## OIL

Brent crude futures regained ground above the $86 per barrel mark as investors weighed hopes for a demand recovery in top importer China against fears of a potential recession-driven demand downturn in advanced economies. The EIA weekly report also showed that US crude inventories rose by 0.533 million barrels last week, marking the fifth consecutive weekly increase, but slightly less than market expectations of a 0.971-million-barrel rise. On the supply side, OPEC will likely keep its current output quotas when it meets next week, keeping markets tight while putting a floor under prices.

**BRENT CRUDE (1YR GRAPH)**

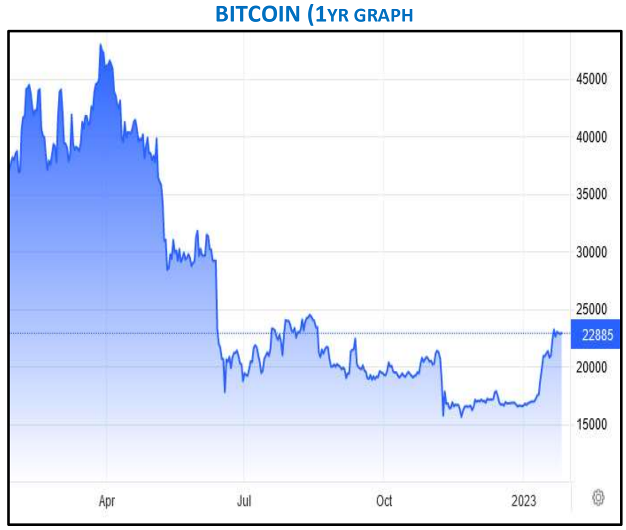



**NOTE:** New Zealand trades in Brent Crude Oil

## CRYPTO

Bitcoin US Dollar traded at 22719 on January 25th. Looking back, over the last four weeks, Bitcoin lost 34%. Over the last 12 months, its price fell by 38.3%. Looking ahead, forecasts suggest Bitcoin US Dollar to be priced at 20,729 by the end of this quarter and at 15,457 in one year, according to Trading Economics global macro models projections and analysts expectations.

**BITCOIN (1YR GRAPH**



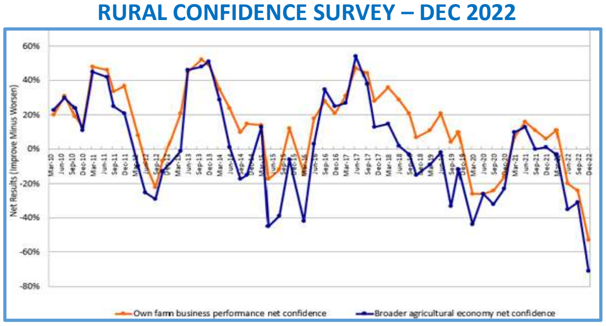
# AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

## FARMER CONFIDENCE PLUNGES TO RECORD LOW

RESULTS AT A GLANCE **SOURCE:** Rabobank

- Farmer confidence has fallen dramatically since last quarter and is now at the lowest level recorded in the 20-year history of the survey.
- Government policy and rising farm input costs were the major concerns cited by farmers, while rising interest costs and falling commodity prices were additional sources of anxiety.
- Farmers' confidence in their own farm business performance fell sharply and is now also at a record low.
- Farmers across all sector groupings were significantly more pessimistic about the prospects for their own business, with sheep and beef farmers recording the lowest level of sentiment.
- Farmers' investment intentions were back on last quarter and there are now more than twice as many farmers expecting to reduce investment than those expecting it to increase.

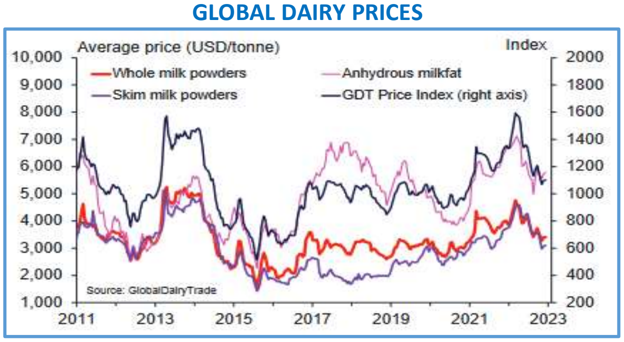
**RURAL CONFIDENCE SURVEY – DEC 2022**




## DAIRY SECTOR

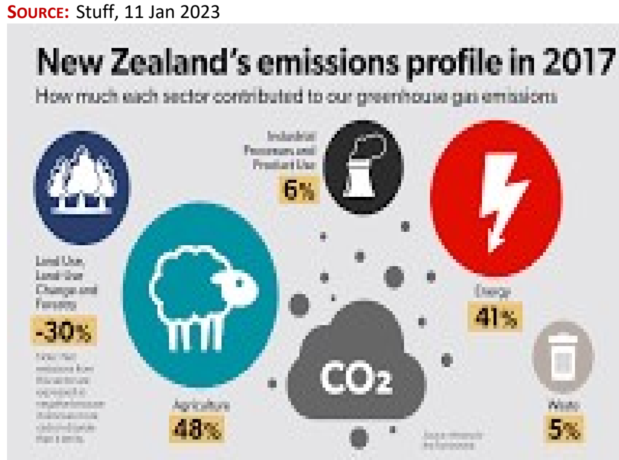
Overall, the result is consistent with Westpac's 2022/23 milk price forecast of $8.75/kg. Looking to 2023/24, they had expected the NZD/USD to rise this year and into next, so this is largely factored into their forecast of $10.00/kg. That said, at the margin the increase has come a little sooner than they had expected sand this will require keeping one eye on currency movements over coming months.

**GLOBAL DAIRY PRICES**




## ARE NEW ZEALAND FARMS THE WORLD'S GREENEST?

**SOURCE:** Stuff, 11 Jan 2023




When the Government announced a plan to price farming emissions, National Party Leader Christopher Luxon said the policy ***"failed to recognise New Zealand farmers are already the most carbon-efficient in the world"***. Luxon echoed a claim made frequently by agricultural lobby groups. Groundswell, for example, vehemently opposes the policy because it says Kiwi farmers "are already the most sustainable food producers in the world, as verified by independent research".

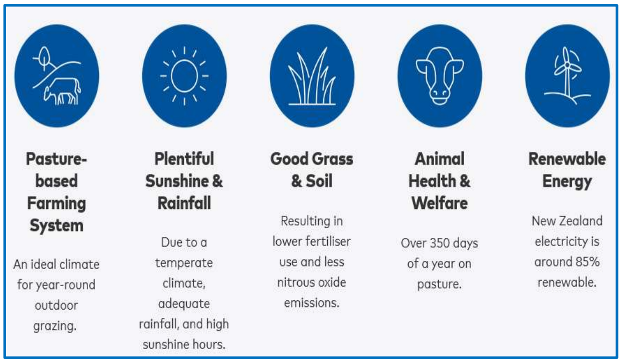
Stuff researchers "fact-checked" this proposition, finding that lack of international research made the definitive answer uncertain, but did contend that there is good evidence that New Zealand farmers are some of the most carbon-efficient in the world – if not the most.

In summary. The Stuff reports that ***"New Zealand is good at producing red meat and milk for comparatively less greenhouse gas. But there's insufficient evidence to say we're number one."***

**ON-FARM CARBON FOOTPRINTS**


**SOURCE:** Fonterra-NZMP.com

**WHY NZ DAIRY FARMS ARE SO MUCH MORE EFFICIENT**




**SOURCE:** Fonterra-NZMP.com

## KIWIFRUIT INDUSTRY

New Zealand Zespri-branded top class kiwifruit production is expected to increase by 39 per cent to 229 million trays by 2027, but the global marketer warns along with opportunities in the next five years come risks.

This year's supply of Zespri class one fruit was 164m trays. The Mount Maunganui-headquartered company, the world's biggest single marketer of kiwifruit, said in a five-year outlook report that the 2027 estimate included Zespri RubyRed fruit, commercial volumes of which would be established by 2025.

Offshore Zespri-brand fruit supply in 2027 was forecast to be around 60 million trays. New Zealand supply of class one Zespri SunGold kiwifruit was forecast to increase from nearly 98m trays this year to 157m trays in 2027. The growth reflected the ongoing programme of growing licences, which in 2021-2022 yielded Zespri gross revenue of $430.1m. Zespri's global operating revenue, including licence income, was $4.47 billion. The company has the statutory right to export all New Zealand kiwifruit, except to Australia.

The five-year plan forecast a significant rise in organic SunGold kiwifruit from around three million trays in the 2022-2023 season to more than six million trays in 2027-2028.

There would be no licence release for this variety in 2023 because current supply predictions would satisfy target market demand.

There was expected to be around 8590 producing hectares of both conventional SunGold and organic SunGold fruit in New Zealand by 2023-2024. By about 2027 this would deliver around 165m trays at current yield estimates.

By the end of this financial year, Zespri would have 4745 planted SunGold hectares in the ground offshore. The offshore growing area was expected to reach the approved maximum of 5000ha by 2024.

New Zealand supply of class one conventional green kiwifruit was forecast to fall from around 60m trays in 2022-2023 to around 55m trays in 2027-2028, through conversion to other varieties and orchard removal.

This was expected to result in higher per tray value for green fruit, which was sensitive to competition from non-Zespri grown fruit. The company cautioned this estimate do not factor in the Environment Protection Agency's current proposal to ban use of Hi-Cane in 10 years. Hi-Cane is a plant growth regulator which promotes uniform budbreak and flowering of kiwifruit, and earlier concentrated flowering of apples. Zespri said if the proposal is implemented, there would be a significant impact on green yields and consistency of fruit maturity and quality.

The five-year outlook also forecast per tray orchard gate return ranges: $8-$12 for SunGold; $10-14 for organic SunGold; $6.50-$8 for green at declining volumes; $9-$11 for organic green at flat volumes; $10.50-$16.50 for RubyRed once volumes pass three million trays.

Market opportunities in the next five years were identified. They included the ongoing rise of global middle classes, with 57% of the world's population expected to be middle class by 2030. This would lead to increased disposable income and an appetite for new and different foods, Zespri said.

The global fruit category was forecast to grow at a compound annual rate of 5.8%, as consumers chased health benefits, a trend spurred by the pandemic. With Zespri kiwifruit representing less than a 1% share of the global fruit bowl, there was significant headroom for growth, the company said. Globally, Zespri had less than 35% consumer household penetration.

Being able to offer a global kiwifruit supply 12 months of the year was critical to keeping and attracting customers, the report said. Growers this year failed to support a Zespri proposal to increase offshore SunGold growing by 10,000ha. Zespri's teams were now focused on increasing offshore production from the previously approved 5000ha, the report said.

# WHAT IS THE OUTLOOK FOR THE COMMERCIAL PROPERTY MARKET?

As New Zealand heads towards recession, investors are wondering where to invest their money.

Historically, residential property and the sharemarket have weighed up pretty competitively, but with higher gearing in the property sector this was often a better long-term bet.

However, the Labour Government changed all that, with draconian tenancy and taxation laws. Commercial Property is often seen as out of the reach of small investors, on the basis that it might require "too many eggs in the one basket".

Globally and locally there's uncertainty in the commercial real estate sector. Interest rates and inflation are rising, and organisations are still working out what their offices will look like in a post-Covid world. If you are considering the commercial property market you need to think about:

### 1. Quality matters

Even when times are tough, people are still going to want quality property.

Across Auckland, Wellington and Christchurch, 'net absorption' (a commercial real-estate term measuring the amount of space tenants physically moved into minus the amount of space tenants physically moved out of during a specific period) of prime space exceeded 50,000m$^2$ in 2021, after contracting by 10,000m$^2$ in 2020.

Locally, the Tauranga market is very constrained – with multiple empty downtown office and shop vacancies, while the cranes still indicate that specific commercial builds are still happening, but only where tenancy is locked in.

### 2. A focus on sustainability

BNZ is noticing a strong trend towards tenants and investors looking for more sustainable property, particularly buildings that are Green Star rated. By their very nature these are high quality builds.

New green buildings also carry the least risk from a finance perspective, according to BNZ's Phil Bennett. Sometimes a new build incorporating green building principles makes more sense than a retrofit, Bennett says, and this can be a more attractive proposition for the bank.

One of the simplest ways for a company to move on its environmental, social and governance goals is to rent space in a green building, he says.

Take BNZ's own planned new headquarters for its 1,500 Wellington staff. The building is designed to achieve a New Zealand Green Building Council, 5 Green Star rating and is considered one of the most seismically advanced developments in the country, he says.

Tauranga City Commissioners are also opting for 6 Green Star Rated buildings for its $300m+ CBD new build.

### 3. Bringing staff back to the office

Another trend is companies looking for high specked builds that will attract remote or hybrid workers back to the office. Real estate agencies are reporting companies making greater use of technology to cater for employees working partly or fully from home. But they are also looking for an office that feels more like home, to bring staff back in. Old-fashioned cafeterias and ageing toilet facilities just don't cut it any more.

Sleep rooms and break-out rooms are in demand, hot desks and bookable meeting rooms are a must. Post-Covid lockdowns, many premises also have a smaller footprint requirement.

"*It all winds back to how do you get people back in the office and how do you attract people?*" BNZ's Phil Bennett says. "*What is it, other than the collegial feel, that will get people to want to come in?*"

One factor might be the cost of working from home. In the UK, where power prices have skyrocketed, workers are increasingly eager to return to the office rather than face a massive home electricity bill, he says. And while NZ prices haven't gone up as much, inflation is biting in New Zealand too.

### 4. Caution in inflationary times

Real estate is often seen as a good hedge against inflation, because of the opportunity to get higher income through increasing rents. But Bennett has a cautious reminder for anyone seeking a hands-off, set-and-forget investment in the commercial market. "*It's not passive. You need to understand the market and the fundamentals of managing a building*."

Industrial property might be an easier market, Bennett says. "History has shown that in times of change, industrial property always holds up well and there's less volatility." In addition, the fact many areas haven't seen the necessary infrastructure investment to support new development means the industrial property sector is running hot right now, with significant demand, he says.

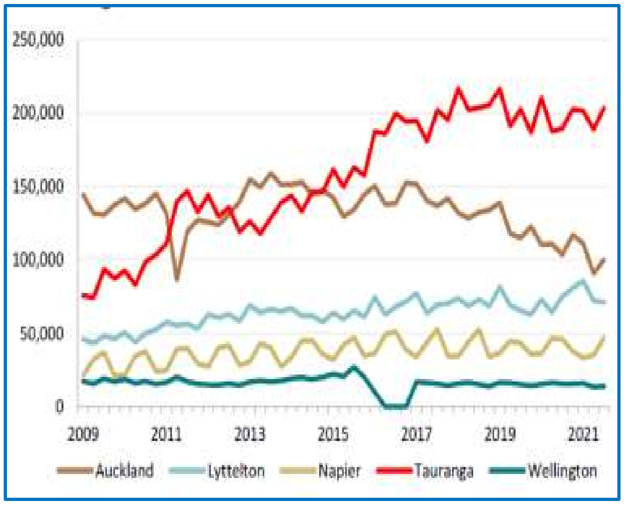
### 5. It's a cycle

Whatever's going on in the economy, there's one thing you can rely on - the property market is cyclical. The key to successful investments (no matter what they are) is to "buy right". Buying in a downturn will see opportunities, and if commercial or industrial property is too expensive for you as and individual, consider finding a well-reputed property syndicate operator to invest with.

## PORT OF TAURANGA

Port of Tauranga has a 40%+ NZ market share in containers handled. POT exported a total of 13.9m tonnes and imported 7.7m tonnes in FY22.

NUMBER OF CONTAINERS HANDLED




## TOURISM SECTOR

TOURISM EXPENDITURE FOR THE YEAR ENDED MARCH 2022

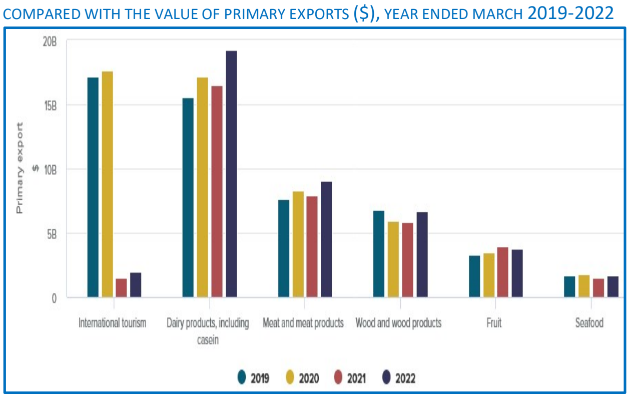
Total tourism expenditure increased 2.7% to $26.5bn, following a decrease of 37.5% in the March 2021 year.

Tourism expenditure generated $10.0bn of direct value added, representing a 3.0% contribution to GDP. A further $6.6bn of indirect value-added activity was recorded.

Direct and indirect tourism value added, when combined, accounted for 62.7 cents for every dollar spent by tourists, while GST accounted for 9.3 cents for every dollar spent by tourists.

**INTERNATIONAL TOURISM EXPENDITURE**

COMPARED WITH THE VALUE OF PRIMARY EXPORTS ($), YEAR ENDED MARCH 2019-2022




## NZ RETIREMENT VILLAGE SECTOR

KEY THEMES FOR 2023

Cash finally to take prominence in 2023 - which operator will lead the way? Last year was a tough one for the sector, with all players' share prices down materially (35-56%). Jarden finished 2022 with a report focused on RYM's specific issues (see Long time between drinks; small sip of the cup unlikely to quench thirst, 15 December 2022). They start the 2023 year with a review of key themes they think could play out for the broader sector in 2023.

In summary, Jarden highlights three key things in particular is that they do not rule out happening in 2023. All three would have seemed unlikely 12 months ago.

- One or more players suspend or significantly scale back dividends, with dividend resumption and growth in the future linked to cash generation - including real cash generated from development. One or more players shift away from underlying profit, with market communications focused on cash generation and the building blocks for confidence in a growing level of free cash flow in the future. We reiterate our view it simply does not make sense to run these businesses, or position them with investors, without taking the long-term costs of asset ownership into account (investment property depreciates) nor to run development on the premise it comes with a significant ~25% margin buffer, which simply does not reflect cash closer to breakeven. When the focus changes here, overheads and the profitability out of care will get more attention also, likely leading in time to better decisions.
- RYM moves on DMF as part of its move to support more appropriate cash generation off the size of its asset base. As Jarden highlights in this report, the lack of cash generation on the level of asset investment in RYM simply is not sustainable.

### RYMAN HEALTHCARE

Jarden's rating on RYM remains Underweight, with a DCF-based 12-month target price of $8.21 (was $7.87) (downside spot DCF ~$6.50 on 50bps increase in WACC/25bps decrease in House Price Inflation [HPI]).

Concerns about capital structure/dividend/growth direction are weighing on RYM and together with a sector preference for SUM and, to a lesser degree, ARV drive the rating. Key upside catalysts include an improved deferred management fee (DMF) structure, where RYM's 20% (versus ARV/OCA at 30%) is a real opportunity, and better development outcomes, together with resolution the on capital structure/ growth direction. Downside risks (applying to SUM, ARV and OCA also) include regulatory change, cash generation at more subdued refinancing margin as assets age, investment requirements and changes in resident preferences.

### SUMMERSET GROUP HOLDINGS

Jarden's rating on SUM remains Overweight, with a DCF-based 12-month target price of $14.75 (was $15.29) (downside spot DCF ~$12 on 50bps increase in WACC/25bps decrease in HPI).

They are attracted to the lower gearing in SUM and its generally lower risk approach to development (although we note very large land exposure). SUM also has the most favourable asset mix - evident in the direction of its peers to a reduced emphasis in assisted living. Like RYM, but to a lesser degree, SUM has upside potential in its 25% DMF in time if that is required to support better cash generation.

### Arvida Group

We downgrade our rating on ARV from Overweight to Neutral, with a DCF-based 12-month target price of $1.73 (was $1.50) (downside spot DCF ~$1.40 on 50bps increase in WACC/25bps decrease in HPI). ARV is in the early stages of repositioning its business and does not enjoy a long development track record compared with SUM and RYM. We see upside for ARV in proving up execution on development and progressing mix shift changes. In line with its peers, more visibility and evidence on nearer term cash flow is a potential catalyst also.

### Oceania Healthcare

We downgrade our rating on OCA from Overweight to Underweight, with a DCF-based 12-month target price of $1.07 (was $1.10) (downside spot DCF ~$0.80 on 50bps increase in WACC/25bps decrease in HPI). OCA is still in the early stages of repositioning its business. Whilst OCA's overall gearing is relatively comfortable against its development assets, we note its more elevated relative levels of inventory supporting that debt, which it needs to work through in a more challenging market environment. This could impact the rate of growth in the nearer term. On the positive side, OCA is most progressed on care suites, which others in the sector are looking to replicate to bring capital and DMF into their reducing care exposures. This does provide potential for nearer term upside for OCA in free cash flow growth (DMF realisation faster for care suites), which could rerate OCA sooner, taking into account other factors. We need to see this come through and see progress on further development execution and inventory selldown first.

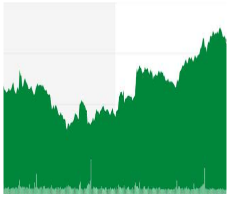
## *BROKER PICKS FOR 2023 – year to date*

*AS AT 25TH JANUARY 2023*

| AvonD Portfolio | | Jarden | | Craigs IP | | Forsyth Barr | | Hamilton Hindin | | Hobson Health | | MSL Capital Marekts | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Contact Energy | 2.2% | Contact Energy | 2.2% | Chorus | 2.8% | Infratil | 1.7% | Auckland Int Airport | 7.6% | Auckland Int Airport | 7.6% | AFT Pharmaceuticals | 2.7% |
| Fletcher Building | 8.3% | Delegat Group | (0.1%) | Ebos Group | 3.9% | Oceania Healthcare | 11.8% | Genesis Energy | 10.9% | Contact Energy | 2.2% | Air NZ | 6.7% |
| Infratil | 1.7% | Infratil | 1.7% | Meridian | 2.1% | Spark | (3.3%) | Infratil | 1.7% | Ebos Group | 3.9% | Arvida Group | 0.0% |
| Port of Tauranga | 1.0% | Pacific Edge | (5.0%) | Spark | (3.3%) | Tourism Holdings | 9.0% | Investore Property | 0.7% | Fletcher Building | 8.3% | Mercury | 6.7% |
| Tourism Holdings | 9.0% | Tourism Holdings | 9.0% | Tourism Holdings | 9.0% | Vulcan Steel | 13.4% | NZX Group | 3.3% | Vector | 6.5% | NZ Rural Land | (0.9%) |
| TOTAL CHANGE | 4.4% | | 1.6% | | 2.9% | | 6.5% | | 4.8% | | 5.7% | | 3.0% |
| NZ50 Index | 4.5% | | 4.5% | | 4.5% | | 4.5% | | 4.5% | | 4.5% | | 4.5% |
| +/- NZ50 Index | (0.1%) | | (3.0%) | | (1.7%) | | 2.0% | | 0.3% | | 1.1% | | (1.5%) |

***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.

ALL GRAPHS ARE 1 YEAR



## The A2 Milk Company

Research: 22nd November

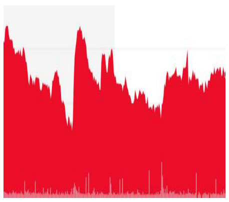
Revenue growth guidance for FY23E was upgraded to low double-digit growth vs FY22, up from guidance for high single-digit growth at the FY22 result. This upgrade was well priced into market and Jarden expectations, with Their FY23E revenue implying a +14% uplift on pcp. Key drivers were also likely well 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:** | **$7.26** |
| **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: 4.20-7.77



## AFT Pharmaceuticals

Research: 27th January

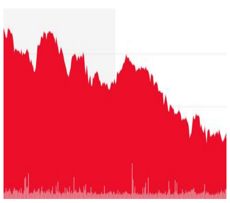
AFT is underpinned by its in-licensing model in the ANZ market, where it now supplies 150 products across a broad network of channels. It also exports proprietary products, most notably Maxigesic, via out-licensing to partners across the globe. However, whilst successful in ANZ, the key issue has been consistent misses against analyst expectations given out-licence progress delays. Over the next three years to FY25E, AFT is targeting a further +76 products in ANZ. Jarden forecasts revenue lifts from $112m to $200m over FY22-27E, which is similar to the historical growth rate (12% CAGR). In doing so, they implicitly assume some dilution from launching a high volume of products in a short timeframe. As flagged at the 1H23 results, further investment support will be required, resulting in less operating leverage from the network effect than previous estimates. Jarden's long-term EBIT margin of ~17% (14% in FY22) is consistent with larger pharmaceutical and consumer product companies of ~20%.

2023 P/E: 30.8 2024 P/E: 18.2

| | |
|---|---|
| **NZX Code:** | **AFT** |
| **Share Price:** | **$3.85** |
| **12mth Target:** | **$3.80** |
| **Projected return (%)** | |
| Capital gain | -1.1% |
| Dividend yield (Net) | 0.8% |
| **Total return** | **-0.5%** |

**Rating: NEUTRAL**

52-week price range: 3.10-4.20



## Arvida Group

Research: 30th November

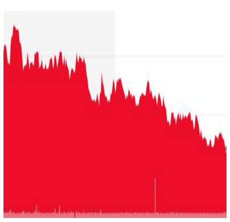
Underlying NPAT of $37.7m (adjusted for consistent Village at the Park accounting) was 8% below Jarden's estimate, due almost entirely to joint venture profit excluding fair value gains. Importantly, revenue ($109.0m versus JARDe $108.9m) and operating costs ($103.6m versus $102.5m) were in line with 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:** | **$1.14** |
| **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: 1.09-1.80



## Briscoe Group

Research: 18th January

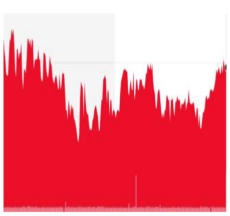
BGP is a well-run business with an enviable track record of sales growth and consistent gross margins. It is a market-leading homeware and sporting goods retailer operating the Briscoes Homeware and Rebel Sport brands in New Zealand. The company has strong relationships with well-known multinational brands, with sales volumes that enable favourable supply agreements. This has likely supported its ability to deliver consistent gross margins - between 39% and 41% over the 15 years prior to the pandemic. However, the company is now cycling a period of record gross margins, having experienced a ~+600bps gross margin expansion between 2H21 and 1H23. Jarden expects margins to contract into FY24 as favourable pandemic induced margin dynamics fade and sector discounting increases in order to capture a tighter consumer wallet. However, they note BGP has implemented a number of margin initiatives over the past few years and their long-term gross margin forecasts imply ~+300bps of sustainable margin expansion over historical levels.

2023P/E: 12.1 2024 P/E: 14.9

| | |
|---|---|
| **NZX Code:** | **BGP** |
| **Share Price:** | **$4.57** |
| **12mth Target:** | **$4.90** |
| **Projected return (%)** | |
| Capital gain | 2.1% |
| Dividend yield (Net) | 5.6% |
| **Total return** | **7.7%** |

**Rating: NEUTRAL**

52-week price range: 4.57-6.40



## Comvita

Research: 22nd November

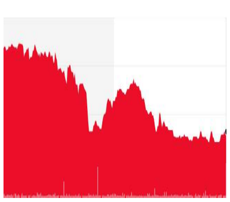
CVT has provided a short update and maintained its guidance for double-digit EBITDA growth in FY23, which compares with Jarden's FY23 growth estimate of +12% ($33.7m versus $30.1m reported EBITDA in FY22). This is despite ongoing disruption to the offline store network and CBEC into China (a large part 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.

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

| | |
|---|---|
| **NZX Code:** | **CVT** |
| **Share Price:** | **$3.41** |
| **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: 2.98-3.60



## Delegat Group

Research: 6th December

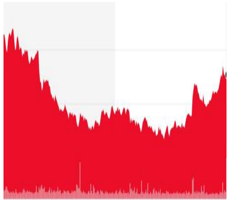
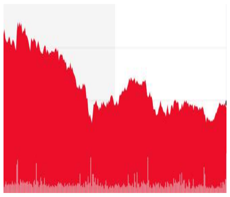
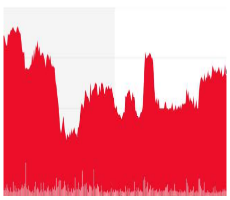
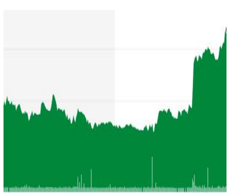
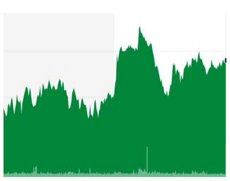
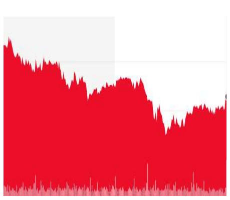
DGL has provided a guidance update, with their FY23 operating NPAT ranging between $60m and $64m and they revised down their forward case volume guidance for FY24E and FY25E to 3,826k and 3,947k, respectively, from 3,910 and 4,080, respectively, or -2% and -3%, respectively, as they focus on "value growth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

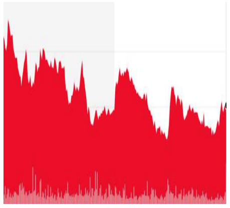
2023 P/E: 16.2 2024 P/E: 14.6

| | |
|---|---|
| **NZX Code:** | **DGL** |
| **Share Price:** | **$10.19** |
| **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: 9.60-13.53

| | | |
|---|---|---|
|  | **Fisher & Paykel Healthcare** Research: 23rd January<br>Solid 2H23 trading update and revenue guidance: FPH has guided revenue of $1.55-1.60bn, which at the midpoint represents a +7% upgrade to consensus and +6% versus Jarden's prior estimate. Previously, the company had refrained from providing full-year guidance, indicating only that it expected 2H revenue to be higher than 1H revenue at its interim results in November 2022 (1H23 revenue NZ$691mn). It reiterated the constant currency opex and gross margin guidance from November, implying an improvement in underlying operating leverage, with reported numbers diluted by FX.<br>2023 P/E: 64.2 2024 P/E50.9 | **NZX Code:** **FPH**<br>**Share Price:** **$25.25**<br>**12mth Target:** ↑ **$25.50**<br>**Projected return (%)**<br>Capital gain -4.4%<br>Dividend yield (Net) 1.5%<br>**Total return** **-2.9%**<br>**Rating: OVERWEIGHT**<br>52-week price range: 18.02-31.00 |
|  | **Fletcher Building** Research: 19TH December<br>FBU announced a $150m further loss associated with a legacy construction contract, reiterated its FY23 guidance (albeit removing the top end) and is stepping up its move into the NZ wood market. With the bad only somewhat dampened by the good, FBU recently announced the go-ahead of the Taupo plant panels project ($275m capex, $40m EBIT contribution from FY26) and that it has agreed to purchase Waipapa Pine Limited and Renewable Wood Fuels Limited (together "Waipapa"), at a cost of $97m, with an expectation to add $20m of EBIT by FY25. This is additive to a pipeline of opportunities that is set to grow mid-cycle earnings. While Jarden has reduced their 12-month target price from $6.30 to $6.22 they have retained their Buy rating.<br>2023 P/E: 8.6 2024 P/E: 9.7 | **NZX Code:** **FBU**<br>**Share Price:** **$5.11**<br>**12mth Target:** ↓ **$6.22**<br>**Projected return (%)**<br>Capital gain 26.2%<br>Dividend yield (Net) 8.2%<br>**Total return** **34.4%**<br>**Rating: BUY**<br>52-week price range: 4.65-6.95 |
|  | **Fonterra Shareholder's Fund** Research: 28h November<br>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.<br>2022 P/E: 8.5 2023 P/E: 5.6 | **NZX Code:** **FSF**<br>**Share Price:** **$3.29**<br>**12mth Target:** **$3.81**<br>Capital gain 15.8%<br>Dividend yield (Net) 10.0%<br>**Total return** **19.7%**<br>**Rating: OVERWEIGHT**<br>52-week price range: 2.75-3.65 |
|  | **Gentrack Group** Research: 30h **November**<br>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.<br>2023 P/E: 193.5 2024 P/E: 20.6 | **NZX Code:** **GTK**<br>**Share Price:** **$2.90**<br>**12mth Target:** ↓ **$2.25**<br>**Projected return (%)**<br>Capital gain 12.5%<br>Dividend yield (Net) 0.0%<br>**Total return** **12.5%**<br>**Rating: NEUTRAL**<br>52-week price range: 1.32-3.02 |
|  | **Infratil** Research: 16th **November**<br>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.<br>2023 P/E: 10.7 2024 P/E: 211.8 | **NZX Code:** **IFT**<br>**Share Price:** **$8.80**<br>**12mth Target:** ↓ **$9.65**<br>**Projected return (%)**<br>Capital gain 14.7%<br>Dividend yield (Net) 2.2%<br>**Total return** **16.9%**<br>**Rating: OVERWEIGHT**<br>52-week price range: 7.33-9.65 |
|  | **Kiwi Property Group** Research: 29h November<br>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.<br>2023 P/E: 14.1 2024 P/E: 15.0 | **NZX Code:** **KPG**<br>**Share Price:** **$0.96**<br>**12mth Target:** **$0.96**<br>**Projected return (%)**<br>Capital gain 5.5%<br>Dividend yield (Net) 6.3%<br>**Total return** **11.8**<br>**Rating: OVERWEIGHT**<br>52-week price range: 0.82-1.17 |



**Mainfreight** Research: 10th November

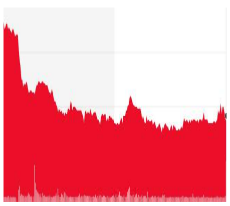
1H23 result in line with recent trading update. MFT's revenue of $3,003.3m (+32% YoY, +26% excl. FX), PBT of $301.7m (+66% YoY, +58% excl. FX) and NPAT of $217.2m (+66% YoY, +58% excl. FX) were all in line with the trading update provided at the company's investor day in October. Reflecting this strong 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:** | **$72.02** |
| **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: 64.50-90.90 | |

**Michael Hill International** Research: 20th January

MHJ has undergone a rejuvenation period, materially improving its product offering and brand position in recent years, consistently delivering on its "Retail 101" strategy. The company has implemented several margin initiatives including (1) improving the product offering, (2) selling branded collections, (3) changes to sales incentive structures, (4) launching a loyalty programme and (5) emphasising its omnichannel structure. These have supported c. +200bps gross margin expansion on FY19 levels. In addition, sales growth has been robust despite a reduction in store count, with positive same-store sales (SSS) adjusted for pandemic closures for the past 12 quarters. MHJ carried positive momentum through in 1H23 and encouragingly maintained margins - evidence of the underlying brand and operational improvements made in Jarden's opinion. However, they expect the sales environment to become more challenging for the remainder of the financial year and forecast negative sales growth into 2H23.
2023 P/E: 8.6 2024 P/E: 9.3

| | |
|---|---|
| **NZX Code:** | **MHJ** |
| **Share Price:** | **$1.16** |
| **12mth Target:** | **$1.50** |
| **Projected return (%)** | |
| Capital gain | 22.0% |
| Dividend yield (Net) | 6.4% |
| **Total return** | **28.4%** |
| **Rating: OVERWEIGHT** | |
| 52-week price range: 1.01-1.53 | |



**NZX** Research: 25th November

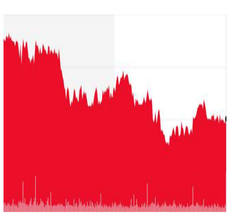
NZX has announced the acquisition of the management rights of QuayStreet Asset Management Limited ($1.6bn Funds Under Management - FUM) from Craigs Investment Partners alongside a broader distribution agreement for NZX's suite of passive products. NZX will pay initial consideration of $31.25m (cash and 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.
2022 P/E: 25.5 2023 P/E: 21.7

| | |
|---|---|
| **NZX Code:** | **NZX** |
| **Share Price:** | **$1.25** |
| **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: 1.14-1.77 | |

**Pacific Edge** Research: 20h January

FY23 revenue appears to track in line despite potentially less volume: Given the seasonal slowdown our FY23E US TLT of ~28,500 vs. YTD of 19,400 implies 4Q23E of ~9,000, and hence appears optimistic. This is offset by Jarden's current forecast average price potentially too light noting FY23E ~$740/test vs. $780/test at 2H23, and hence at the revenue line their current forecast appears to be tracking broadly in line, noting FY23E of $18.6m vs. 1H23 of $8.7m. US volumes continue to rise alongside clinician usage. The pace picked up slightly in 1H23 with sequential increases of +1,974, +2,104, +824 and +2,925 across 2H21, 1H22, 2H22 and 1H23, respectively. The key driver for adoption in the near term will be getting existing clinician usage up. Management notes that while average volume per clinician is low, this is skewed by a long tail of low-use clinicians (for reasons including limiting use to high-risk patients and those still in user testing stage), with larger accounts significantly higher than the simple average.
2023 P/E: (15.3) 2024 P/E: (13.9)

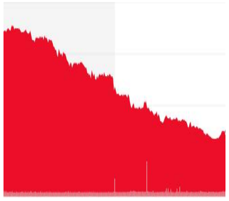
| | |
|---|---|
| **NZX Code:** | **PEB** |
| **Share Price:** | **$0.47** |
| **12mth Target:** | **$0.75** |
| **Projected return (%)** | |
| Capital gain | 53.1% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **53.1** |
| **Rating: OVERWEIGHT** | |
| 52-week price range: 0.40-1.17 | |



**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: 1.15-1.62 | |



**Restaurant Brands NZ** Research: 26th January

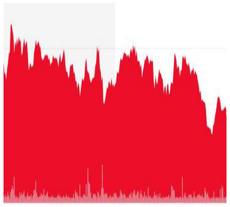
A well-run business with a solid track record of delivering sales growth. RBD has executed well on its strategy of growth through store expansion and acquisition; however, this has been underpinned by established brands in markets where RBD is the dominant franchise operator. Jarden continues to see scope for KFC store expansion and Taco Bell refurbishment in those markets, although they slow their growth expectations in the short term given the pace of building cost increases are likely weighing on confidence. Two additional growth levers for RBD are KFC store growth in Southern California and Taco Bell store growth in New Zealand and Australia. RBD's record is mixed in terms of establishing new brands.

2023 P/E: 24.1 2024 P/E: 18.7

| | |
|---|---|
| **NZX Code:** | **RBD** |
| **Share Price:** | **$6.18** |
| **12mth Target:** ↓ | **$7.15** |
| **Projected return (%)** | |
| Capital gain | 15.7% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **15.7%** |

**Rating: NEUTRAL**

52-week price range: 5.54-15.00



**Sky City Entertainment** Research: 7th December

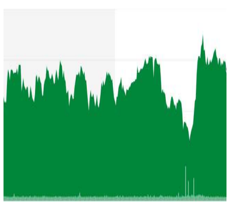
SKC has advised that AUSTRAC intends to file civil penalty proceedings in the Federal Court against SKC Adelaide, alleging contraventions under the Australian Anti-Money Laundering and Counter- Terrorism Financing Act 2006 (the Act). In the event AUSTRAC's claim is accepted in whole or in part by the Federal Court, SKC Adelaide may be subject to a civil penalty to be imposed by the Court, which may be material. SKC further noted it understands AUSTRAC has not yet identified the level of penalty it intends to seek. Based on Jarden's TAH analysis, they are comfortable assuming a A$50m fine for Adelaide and highlight a negotiated outcome potentially led by CWN and SGR processes could yield a lower outcome for SKC. The potential contagion risk to the NZ regulator is likely low, albeit hard to rule out based on Jarden's initial review of the statement of claim. Jarden has retained their 12m target price of NZ$3.40 and keep their Buy rating on value grounds. Key risks are (1) economic conditions, (2) regulatory reviews and (3) COVID disruptions.

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

| | |
|---|---|
| **NZX Code:** | **SKC** |
| **Share Price:** | **$2.51** |
| **12mth Target:** | **$3.40** |
| **Projected return (%)** | |
| Capital gain | 26.4% |
| Dividend yield (Net) | 4.1% |
| **Total return** | **30.5%** |

**Rating: BUY**

52-week price range: 2.35-3.11



**Synlait Milk** Research: 14th November

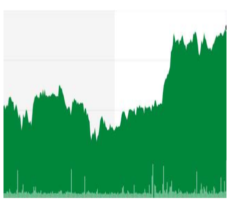
Stronger earnings and FCF generation should be underpinned by rising utilisation of SML's high-value plant. Key milestones to support ongoing confidence, and include a combination of (1) ATM's performance including FDA uplift, (2) SMAR registration for ATM, (3) commissioning of a new multinational customer 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:** | **$3.45** |
| **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: 2.76-3.82



**Tourism Holdings** Research: 11th December

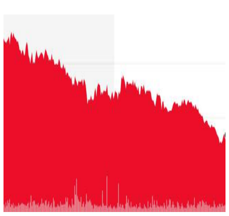
The merger between THL and Apollo Tourism & Leisure (ATL) has created the world's largest RV rentals business, with leading shares in the ANZ markets and a number two position in North America. While closed borders significantly cut rental demand, both businesses managed well through a difficult COVID period, supported by strong demand for RV sales. In our view, they are now well positioned to benefit from the return of international tourism. Constrained supply and returning rental demand provide a solid near-term outlook for rental yields and margins; THL standalone FY23 NPAT guidance is ~80% of adjusted pre-C OVID levels and ATL expects a record result. Longer term, the combined group appears set for multi-year growth as it re-fleets from ~6,500 to ~11,000 vehicles alongside returning demand, and through expected merger synergies.

2023 P/E: 16.0 2024 P/E: 11.6

| | |
|---|---|
| **NZX Code:** | **THL** |
| **Share Price:** | **$3.77** |
| **12mth Target:** | **$4.29** |
| **Projected return (%)** | |
| Capital gain | 26.2% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **26.2%** |

**Rating: OVERWEIGHT**

52-week price range: 2.22-3.77



**Turners Automotive Group** Research: 23rd November

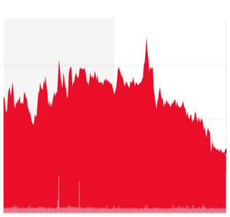
The Auto Retail segment continues to benefit from network expansion and marketing, with vehicle volumes up on the pcp despite a 7.5% decline in the broader market. As previously signalled, earnings in the Finance segment were impacted by NIM compression given the rapid increase in interest rates and 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.

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

| | |
|---|---|
| **NZX Code:** | **TRA** |
| **Share Price:** | **$3.21** |
| **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: 3.10-4.36



**The Warehouse Group** Research: 16th January

A disappointing holiday trading update highlights slowing retail activity. Sales momentum meaningfully slowed over the holiday period, with group sales falling -5.5% against the prior year period in the eight weeks to 26 December. Rising cost pressures and dampened consumer confidence are likely key drivers of recent weakness and a trend we expect to continue through FY23 - we forecast a -4.4% YoY decline in sales over the remaining three quarters of FY23.

2023 P/E: 12.2 2024 P/E: 11.0

| | |
|---|---|
| **NZX Code:** | **WHS** |
| **Share Price:** | **$2.61** |
| **12mth Target:** ↓ | **$2.45** |
| **Projected return (%)** | |
| Capital gain | -7.2% |
| Dividend yield (Net) | 6.8% |
| **Total return** | **-0.4** |

**Rating: UNDERWEIGHT**

52-week price range: 2.57-3.75

# JARDEN'S NZ LISTED COMPANIES EARNINGS TABLE

**AS AT 23RD JANUARY 2023**

| | Ticker | Rec. | Market Cap NZ$mn | Price NZ$ | Target Price NZ$ | Adjusted NPAT FY1 | FY2 | FY3 | Adjusted EPS FY1 | FY2 | FY3 | PE 12MF | 24MF | pBook FWD | EV/EBITDA 12MF | 24MF | Net Yield 12MF | 24MF | Gross Yield 12MF | 24MF |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **COMMUNICATION SERVICES** | | | | | | | | | | | | | | | | | | | | |
| **Diversified Telecoms*** | | | | | | | | | | | | | | | | | | | | |
| Chorus | CNU | N | 3,662.5 | 8.26 | 7.15 | 54.2 | 69.0 | 81.3 | 12.1 | 15.4 | 18.2 | 59.1x | 53.4x | 4.4x | 9.8x | 9.8x | 5.5% | 5.7% | 5.5% | 5.7% |
| Spark New Zealand | SPK | O | 9,759.2 | 5.21 | 5.19 | 463.5 | 528.7 | 541.9 | 25.1 | 29.1 | 30.0 | 19.0x | 18.3x | 4.9x | 9.4x | 9.2x | 5.2% | 5.3% | 7.2% | 7.3% |
| **Media** | | | | | | | | | | | | | | | | | | | | |
| NZME | NZM | O | 217.0 | 1.18 | 1.27 | 27.0 | 26.0 | 26.2 | 14.4 | 14.0 | 14.1 | 8.4x | 8.4x | 1.4x | 4.9x | 4.9x | 8.4% | 8.1% | 11.7% | 11.2% |
| SKY Network Television | SKT | N | 346.5 | 2.38 | 2.63 | 50.3 | 41.6 | 41.8 | 31.2 | 28.2 | 28.3 | 8.1x | 8.2x | 0.8x | 1.9x | 2.0x | 6.7% | 6.7% | 6.7% | 6.7% |
| **CONSUMER DISCRETIONARY** | | | | | | | | | | | | | | | | | | | | |
| **Hotels, Restaurants, Leisure & Tourism** | | | | | | | | | | | | | | | | | | | | |
| Restaurant Brands New Zealand | RBD | O | 769.8 | 6.17 | 9.50 | 32.6 | 43.3 | 57.2 | 26.2 | 34.7 | 45.8 | 17.4x | 15.2x | 1.9x | 8.6x | 8.1x | - | - | - | - |
| SKYCITY Entertainment Group | SKC | B | 1,930.9 | 2.54 | 3.40 | 127.3 | 146.4 | 158.1 | 16.7 | 19.3 | 20.8 | 14.0x | 13.3x | 1.2x | 7.7x | 7.3x | 5.4% | 6.2% | 7.6% | 8.6% |
| Tourism Holdings | THL | O | 783.3 | 3.66 | 4.29 | 40.2 | 63.2 | 72.1 | 21.4 | 29.5 | 33.7 | 14.1x | 12.6x | 1.4x | 4.7x | 4.2x | 3.2% | 4.7% | 3.9% | 5.6% |
| **Internet & Direct Marketing Retail** | | | | | | | | | | | | | | | | | | | | |
| My Food Bag | MFB | B | 97.0 | 0.40 | 0.70 | 12.9 | 13.6 | 14.0 | 5.3 | 5.6 | 5.8 | 7.2x | 7.1x | 1.6x | 4.8x | 4.7x | 15.0% | 15.0% | 15.0% | 15.0% |
| **Multiline Retail** | | | | | | | | | | | | | | | | | | | | |
| Briscoe Group | BGP | N | 1,050.9 | 4.72 | 4.90 | 88.1 | 71.5 | 74.7 | 39.6 | 32.1 | 33.6 | 14.6x | 14.3x | 3.1x | 8.4x | 8.2x | 5.7% | 5.8% | 7.9% | 8.0% |
| The Warehouse Group | WHS | U | 901.8 | 2.60 | 2.45 | 74.6 | 82.6 | 93.5 | 21.6 | 23.9 | 27.1 | 11.4x | 10.8x | 2.0x | 5.9x | 5.7x | 7.0% | 7.3% | 7.0% | 7.3% |
| **Specialty Retail** | | | | | | | | | | | | | | | | | | | | |
| KMD Brands | KMD | B | 775.4 | 1.09 | 1.40 | 63.7 | 82.9 | 88.3 | 9.0 | 11.7 | 12.4 | 10.6x | 9.8x | 0.9x | 7.7x | 7.3x | 6.5% | 7.1% | 6.9% | 7.6% |
| Michael Hill International | MHJ | O | 425.3 | 1.22 | 1.50 | 50.2 | 46.3 | 47.6 | 13.1 | 12.2 | 12.5 | 9.7x | 9.8x | 2.0x | 3.6x | 3.6x | 7.2% | 7.4% | 7.2% | 7.4% |
| **CONSUMER STAPLES** | | | | | | | | | | | | | | | | | | | | |
| **Beverages** | | | | | | | | | | | | | | | | | | | | |
| Delegat Group | DGL | O | 1,019.4 | 10.08 | 12.50 | 62.4 | 69.1 | 77.7 | 61.7 | 68.3 | 76.8 | 15.4x | 14.5x | 1.8x | 10.7x | 10.2x | 2.3% | 2.4% | 3.1% | 3.3% |
| **Food Products** | | | | | | | | | | | | | | | | | | | | |
| The A2 Milk Company | ATM | N | 5,381.5 | 7.37 | 5.70 | 152.3 | 165.4 | 189.1 | 20.8 | 23.0 | 26.3 | 33.4x | 31.4x | 4.2x | 19.6x | 18.6x | - | - | - | - |
| Fonterra Shareholders' Fund Units | FSF | O | 350.3 | 3.26 | 3.81 | 882.5 | 678.3 | 656.9 | 54.7 | 42.1 | 40.7 | 6.7x | 7.2x | 0.0x | 0.2x | 0.2x | 8.8% | 8.5% | 8.8% | 8.5% |
| New Zealand King Salmon Investments | NZK | N | 113.7 | 0.21 | 0.21 | (17.6) | 8.0 | 9.6 | (3.3) | 1.5 | 1.8 | 15.1x | 13.2x | 0.7x | 6.9x | 6.4x | - | 2.3% | - | 3.2% |
| Sanford | SAN | N | 402.1 | 4.30 | 4.35 | 31.4 | 33.9 | 37.1 | 33.6 | 36.3 | 39.7 | 12.5x | 12.0x | 0.6x | 6.8x | 6.4x | 3.0% | 3.3% | 3.0% | 3.3% |
| Scales Corporation | SCL | U | 575.2 | 4.03 | 4.15 | 23.8 | 26.2 | 32.6 | 16.7 | 18.3 | 22.8 | 21.7x | 19.5x | 1.5x | 8.9x | 8.4x | 4.7% | 4.7% | 6.5% | 6.6% |
| Seeka | SEK | U | 150.7 | 3.59 | 3.65 | 5.3 | 10.7 | 19.3 | 12.6 | 25.5 | 46.1 | 13.4x | 10.0x | 0.6x | 6.8x | 6.2x | 3.8% | 6.0% | 3.8% | 6.0% |
| Synlait Milk | SML | O | 771.6 | 3.53 | 3.80 | 53.9 | 76.2 | 85.9 | 24.7 | 34.9 | 39.3 | 11.9x | 10.6x | 0.9x | 6.8x | 6.4x | - | 1.3% | - | 1.9% |
| **Personal Products** | | | | | | | | | | | | | | | | | | | | |
| Comvita | CVT | B | 236.2 | 3.38 | 4.50 | 15.5 | 20.7 | 28.2 | 22.2 | 29.7 | 40.4 | 12.8x | 10.9x | 1.0x | 7.3x | 6.6x | 4.3% | 5.4% | 4.3% | 5.4% |
| **ENERGY** | | | | | | | | | | | | | | | | | | | | |
| **Oil, Gas & Consumable Fuels** | | | | | | | | | | | | | | | | | | | | |
| Channel Infrastructure NZ | CHI | N | 532.0 | 1.42 | 1.33 | 28.0 | 25.2 | 38.3 | 7.6 | 6.8 | 10.3 | 20.2x | 16.6x | 1.0x | 8.6x | 7.8x | 7.6% | 8.6% | 9.5% | 9.6% |
| **FINANCIALS** | | | | | | | | | | | | | | | | | | | | |
| **Capital Markets** | | | | | | | | | | | | | | | | | | | | |
| NZX | NZX | O | 409.1 | 1.30 | 1.45 | 14.9 | 18.0 | 18.4 | 4.8 | 5.7 | 5.7 | 22.8x | 22.7x | 3.4x | 10.9x | 10.6x | 4.7% | 4.7% | 6.5% | 6.5% |
| **Commercial Banks** | | | | | | | | | | | | | | | | | | | | |
| 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 | 11.6x | 1.2x | 20.7x | 19.7x | 6.3% | 6.6% | 8.7% | 9.1% |
| **Insurance** | | | | | | | | | | | | | | | | | | | | |
| Turners Automotive Group | TRA | O | 272.2 | 3.14 | 4.29 | 31.3 | 30.6 | 36.1 | 36.4 | 35.5 | 41.9 | 8.8x | 8.2x | 1.0x | 8.0x | 7.6x | 7.3% | 7.9% | 10.2% | 11.0% |
| **HEALTH CARE** | | | | | | | | | | | | | | | | | | | | |
| **Biotechnology** | | | | | | | | | | | | | | | | | | | | |
| Pacific Edge | PEB | O | 397.1 | 0.49 | 0.75 | (25.7) | (28.2) | (20.2) | (3.2) | (3.5) | (2.5) | (14.2x) | (16.0x) | 7.0x | (11.0x) | (12.7x) | - | - | - | - |
| **Health Care Equipment & Supplies** | | | | | | | | | | | | | | | | | | | | |
| Fisher & Paykel Healthcare Corporation | FPH | O | 15,204.0 | 26.25 | 25.50 | 240.1 | 302.5 | 420.8 | 41.6 | 52.4 | 72.9 | 52.1x | 43.9x | 8.7x | 29.9x | 25.7x | 1.6% | 1.6% | 2.2% | 2.2% |
| **Health Care Providers & Services** | | | | | | | | | | | | | | | | | | | | |
| Arvida Group | ARV | O | 803.2 | 1.11 | 1.50 | 81.6 | 103.9 | 109.6 | 11.4 | 14.5 | 15.3 | 8.0x | 7.6x | 0.6x | 127.5x | 106.4x | 5.7% | 5.9% | 5.7% | 5.9% |
| Ebos Group | EBO | N | 8,556.0 | 44.88 | 39.00 | 283.0 | 295.9 | 306.1 | 149.4 | 156.2 | 161.7 | 29.3x | 28.7x | 3.5x | 15.7x | 15.4x | 2.5% | 2.6% | 2.7% | 2.8% |
| Oceania Healthcare | OCA | O | 590.9 | 0.82 | 1.10 | 55.7 | 69.6 | 68.7 | 7.8 | 9.8 | 9.7 | 8.7x | 8.6x | 0.6x | 43.3x | 36.9x | 6.3% | 6.4% | 6.3% | 6.4% |
| Ryman Healthcare | RYM | U | 2,861.5 | 5.67 | 7.87 | 325.8 | 354.2 | 376.5 | 65.0 | 70.1 | 73.7 | 8.2x | 8.0x | 32.7x | 110.4x | 93.8x | 4.0% | 4.0% | 4.0% | 4.0% |
| Summerset Group Holdings | SUM | O | 2,228.3 | 9.60 | 15.29 | 173.3 | 196.1 | 223.9 | 75.2 | 84.5 | 95.9 | 11.3x | 10.6x | 0.9x | 80.5x | 65.6x | 2.0% | 2.0% | 2.0% | 2.0% |
| AFT Pharmaceuticals | AFT | B | 388.0 | 3.70 | 4.80 | 28.1 | 28.8 | 36.1 | 26.8 | 27.5 | 34.4 | 13.5x | 12.2x | 3.8x | 10.6x | 9.4x | 3.4% | 3.9% | 3.4% | 3.9% |
| **INDUSTRIALS** | | | | | | | | | | | | | | | | | | | | |
| **Air Freight & Logistics** | | | | | | | | | | | | | | | | | | | | |
| Freightways | FRE | O | 1,721.1 | 9.70 | 11.75 | 86.5 | 97.8 | 110.4 | 49.7 | 55.2 | 62.4 | 18.4x | 17.3x | 3.2x | 9.2x | 8.9x | 4.3% | 4.5% | 6.0% | 6.3% |
| Mainfreight | MFT | O | 7,149.6 | 71.00 | 88.00 | 452.3 | 402.1 | 418.3 | 449.1 | 399.3 | 415.4 | 17.4x | 17.3x | 3.7x | 9.4x | 9.2x | 2.8% | 2.9% | 3.9% | 4.0% |
| **Airlines** | | | | | | | | | | | | | | | | | | | | |
| Air New Zealand | AIR | N | 2,711.6 | 0.81 | 0.76 | 285.9 | 236.8 | 266.3 | 8.5 | 7.0 | 7.9 | 10.5x | 10.6x | 1.4x | 4.0x | 4.0x | 2.7% | 4.1% | 2.7% | 4.1% |
| **Building Products** | | | | | | | | | | | | | | | | | | | | |
| Metro Performance Glass | MPG | O | 33.7 | 0.18 | 0.39 | 1.1 | 1.5 | 2.3 | 0.6 | 0.8 | 1.2 | 23.8x | 19.3x | 0.4x | 5.4x | 5.4x | - | - | - | - |
| **Machinery** | | | | | | | | | | | | | | | | | | | | |
| Skellerup Holdings | SKL | O | 1,076.4 | 5.49 | 6.10 | 52.9 | 58.4 | 64.5 | 27.1 | 29.9 | 33.0 | 19.1x | 18.2x | 4.7x | 12.3x | 11.7x | 4.4% | 4.6% | 5.1% | 5.4% |
| **Transportation Infrastructure** | | | | | | | | | | | | | | | | | | | | |
| Auckland International Airport | AIA | U | 12,430.6 | 8.44 | 7.00 | 120.8 | 265.2 | 320.3 | 8.2 | 18.0 | 21.8 | 61.3x | 49.8x | 1.5x | 27.6x | 23.8x | 1.4% | 1.6% | 1.9% | 2.3% |
| Port of Tauranga | POT | N | 4,306.7 | 6.33 | 6.35 | 119.9 | 131.1 | 143.2 | 17.8 | 19.5 | 21.3 | 33.7x | 32.2x | 2.1x | 22.2x | 21.2x | 2.7% | 2.8% | 3.7% | 3.9% |
| PGG Wrightson | PGW | N | 338.2 | 4.48 | 4.60 | 24.1 | 24.7 | 25.3 | 32.0 | 32.7 | 33.5 | 13.8x | 13.7x | 1.9x | 6.9x | 6.8x | 6.8% | 6.9% | 6.8% | 6.9% |
| **INFORMATION TECHNOLOGY** | | | | | | | | | | | | | | | | | | | | |
| **Electronics** | | | | | | | | | | | | | | | | | | | | |
| EROAD | ERD | N | 101.4 | 0.90 | 1.45 | (13.6) | (0.2) | 4.9 | (12.2) | (0.1) | 4.3 | (38.8x) | 153.7x | 0.4x | 3.6x | 3.2x | - | - | - | - |
| **IT Services** | | | | | | | | | | | | | | | | | | | | |
| Pushpay Holdings | PPH | N | 1,484.3 | 1.30 | 1.34 | 21.6 | 34.6 | 42.2 | 1.9 | 3.0 | 3.7 | 46.5x | 40.8x | 6.7x | 17.4x | 16.4x | - | - | - | - |
| **Software** | | | | | | | | | | | | | | | | | | | | |
| Gentrack Group | GTK | N | 273.3 | 2.70 | 2.25 | 1.0 | 9.7 | 15.3 | 1.0 | 9.7 | 15.3 | 72.2x | 35.5x | 1.7x | 17.9x | 13.3x | - | - | - | - |
| Serko | SKO | N | 249.3 | 2.07 | 3.15 | (41.0) | (27.9) | (6.4) | (34.2) | (23.3) | (5.3) | (8.2x) | (12.2x) | 2.9x | (7.3x) | (12.4x) | - | - | - | - |
| Vista Group International | VGL | O | 342.8 | 1.47 | 1.90 | (9.2) | (5.6) | (1.6) | (4.0) | (2.4) | (0.7) | (64.1x) | (99.7x) | 2.5x | 38.0x | 26.2x | - | - | - | - |
| **MATERIALS** | | | | | | | | | | | | | | | | | | | | |
| **Construction Materials** | | | | | | | | | | | | | | | | | | | | |
| Fletcher Building | FBU | B | 3,985.7 | 5.09 | 6.22 | 444.6 | 394.1 | 409.2 | 57.0 | 50.5 | 52.5 | 9.5x | 9.7x | 1.1x | 5.6x | 5.6x | 7.0% | 6.7% | 9.7% | 9.4% |
| **Metals & Mining** | | | | | | | | | | | | | | | | | | | | |
| Steel & Tube Holdings | STU | N | 213.6 | 1.28 | 1.45 | 23.5 | 18.7 | 19.6 | 14.2 | 11.3 | 11.8 | 10.2x | 10.6x | 1.0x | 6.5x | 6.7x | 7.3% | 6.9% | 10.2% | 9.6% |
| Vulcan Steel | VSL | U | 1,173.5 | 9.64 | 9.17 | 103.5 | 84.8 | 97.1 | 78.8 | 64.5 | 73.9 | 13.6x | 13.7x | 5.1x | 8.1x | 8.2x | 5.4% | 5.6% | 7.5% | 7.8% |
| **REAL ESTATE** | | | | | | | | | | | | | | | | | | | | |
| Asset Plus | APL | O | 87.1 | 0.24 | 0.34 | (0.8) | 0.7 | 6.9 | (0.2) | 0.2 | 1.9 | 189.6x | 28.0x | 0.6x | 29.5x | 22.1x | - | 2.6% | - | 3.5% |
| Argosy Property | ARG | N | 1,007.6 | 1.19 | 1.19 | 61.3 | 56.5 | 59.6 | 7.2 | 6.7 | 7.0 | 17.5x | 17.3x | 1.2x | 16.4x | 16.0x | 5.7% | 5.7% | 5.7% | 5.7% |
| Goodman Property Trust | GMT | U | 2,918.8 | 2.08 | 1.91 | 108.9 | 112.0 | 114.0 | 7.8 | 8.0 | 8.1 | 26.1x | 25.9x | 1.8x | 24.3x | 22.4x | 2.9% | 2.9% | 2.9% | 2.9% |
| Investore Property | IPL | N | 558.6 | 1.52 | 1.48 | 30.9 | 33.3 | 31.8 | 8.4 | 9.1 | 8.6 | 16.9x | 17.2x | 1.0x | 17.5x | 16.9x | 5.3% | 5.3% | 5.3% | 5.3% |
| Kiwi Property Group | KPG | O | 1,469.0 | 0.94 | 0.96 | 101.8 | 95.6 | 97.9 | 6.5 | 6.1 | 6.2 | 15.1x | 15.1x | 0.9x | 17.0x | 16.3x | 6.2% | 6.2% | 6.2% | 6.2% |
| Precinct Properties New Zealand | PCT | N | 2,006.1 | 1.27 | 1.18 | 105.3 | 105.3 | 108.8 | 6.6 | 6.6 | 6.9 | 19.2x | 18.9x | 1.2x | 23.3x | 21.8x | 5.3% | 5.3% | 5.3% | 5.3% |
| Property for Industry | PFI | N | 1,129.6 | 2.25 | 2.30 | 50.8 | 50.3 | 55.0 | 10.1 | 10.0 | 10.9 | 22.4x | 21.5x | 0.8x | 19.2x | 18.6x | 3.7% | 3.7% | 5.1% | 5.2% |
| Stride Property & Stride Investment Management | SPG | N | 778.1 | 1.44 | 1.54 | 57.4 | 57.2 | 58.2 | 10.6 | 10.4 | 10.4 | 13.8x | 13.8x | 0.9x | 14.5x | 14.4x | 5.6% | 5.6% | 5.6% | 5.6% |
| Vital Healthcare Property Trust | VHP | U | 1,572.0 | 2.39 | 2.27 | 59.3 | 68.7 | 71.8 | 11.4 | 10.9 | 11.3 | 21.5x | 21.5x | 0.7x | 20.3x | 18.7x | 4.1% | 4.1% | 5.7% | 5.7% |
| New Zealand Rural Land Company | NZL | O | 124.8 | 1.08 | 1.14 | 5.4 | 5.1 | 6.0 | 4.7 | 4.4 | 5.2 | 23.8x | 23.0x | 0.7x | 20.4x | 20.2x | 4.5% | 4.6% | 6.2% | 6.3% |
| **UTILITIES** | | | | | | | | | | | | | | | | | | | | |
| **Gentailers** | | | | | | | | | | | | | | | | | | | | |
| Contact Energy | CEN | B | 6,148.6 | 7.85 | 10.33 | 165.5 | 210.5 | 222.7 | 21.2 | 27.1 | 28.6 | 32.0x | 29.9x | 2.3x | 11.8x | 11.2x | 4.7% | 4.9% | 5.8% | 6.1% |
| Genesis Energy | GNE | N | 2,918.3 | 2.76 | 3.02 | 154.6 | 89.7 | 92.8 | 14.7 | 8.5 | 8.8 | 24.7x | 27.8x | 1.3x | 9.4x | 9.7x | 6.6% | 6.7% | 8.5% | 8.6% |
| Mercury NZ | MCY | B | 8,177.4 | 5.90 | 6.99 | 184.0 | 220.3 | 294.8 | 13.3 | 15.9 | 21.3 | 39.9x | 35.0x | 1.8x | 15.3x | 14.3x | 3.9% | 4.2% | 5.4% | 5.6% |
| Meridian Energy | MEL | O | 13,835.1 | 5.36 | 5.68 | 346.4 | 331.6 | 446.5 | 13.4 | 12.9 | 17.3 | 40.9x | 37.6x | 2.6x | 18.7x | 17.7x | 3.4% | 3.6% | 4.5% | 4.8% |
| Manawa Energy | MNW | N | 1,618.1 | 5.17 | 5.34 | 59.5 | 77.7 | 79.0 | 22.2 | 24.8 | 25.2 | 21.3x | 20.9x | 1.3x | 14.3x | 14.0x | 3.1% | 3.2% | 3.1% | 3.2% |
| **Multi-Utilities** | | | | | | | | | | | | | | | | | | | | |
| Vector | VCT | O | 4,340.0 | 4.34 | 4.40 | 198.5 | 205.3 | 223.5 | 19.9 | 20.5 | 22.4 | 21.4x | 20.8x | 1.8x | 10.4x | 10.1x | 3.9% | 3.9% | 4.2% | 4.2% |
| Infratil | IFT | O | 6,334.9 | 8.75 | 9.65 | 570.4 | 28.7 | 79.8 | 78.8 | 4.0 | 11.0 | 49.4x | 63.8x | 1.7x | 20.5x | 21.4x | 2.2% | 2.3% | (3.7%) | (3.2%) |

# JARDEN'S AUSTRALIAN EQUITY RANKINGS

**AS AT 20TH JANUARY 2023**

| COMPANY | PRICE (AU$) | PE Ratio 2023F | RETURN ON ASSETS 2023F | RETURN ON ASSETS 2024F | RETURN ON EQUITY 2023F | RETURN ON EQUITY 2024F | EV/EBITDA 2023F |
|---|---|---|---|---|---|---|---|
| Macmahon Holdings Limited | 0.14 | 4.4x | 4.8% | 5.1% | 10.9% | 10.9% | 1.8x |
| Pepper Money Limited | 1.51 | 4.6x | - | - | | | |
| Karoon Energy Limited | 2.09 | 4.8x | 17.0% | 16.4% | 25.9% | 29.7% | 2.1x |
| Resmed Incorporated | 33.38 | 5.1x | 13.9% | 14.6% | 23.5% | 23.0% | 35.0x |
| Pilbara Minerals Limited | 4.02 | 5.6x | 50.7% | 24.2% | 222.5% | 119.0% | 3.7x |
| Emeco Holdings Limited | 0.79 | 5.7x | 6.9% | 7.2% | 6.4% | 7.0% | 1.5x |
| Autosports Group Limited | 2.04 | 6.2x | 5.4% | 4.8% | 17.0% | 14.8% | 4.0x |
| Liberty Financial Group Limited | 3.93 | 6.4x | - | - | | | |
| Resimac Group Limited | 1.30 | 6.7x | - | - | | | |
| SILK Laser Australia Limited | 1.84 | 7.4x | 12.3% | 14.2% | 284.2% | 64.7% | 5.1x |
| Qantas Airways Limited | 6.54 | 7.5x | 8.1% | 7.1% | 73.1% | 67.0% | 2.2x |
| IGO Limited | 14.34 | 8.1x | 24.2% | 24.2% | 51.0% | 62.0% | 23.4x |
| Peter Warren Automotive Holdings Limit | 2.82 | 8.2x | 6.3% | 5.7% | 13.9% | 12.2% | 5.5x |
| BlueScope Steel Limited | 18.81 | 8.5x | 6.7% | 4.6% | 41.6% | 28.4% | 3.3x |
| Beach Energy Limited | 1.56 | 8.5x | 7.6% | 11.2% | 22.5% | 36.0% | 3.5x |
| Adairs Limited | 2.80 | 9.3x | 8.3% | 8.6% | 24.3% | 24.2% | 4.1x |
| Bank of Queensland Limited | 6.97 | 9.3x | - | - | | | |
| Santos Limited | 7.24 | 9.3x | 7.9% | 7.3% | 16.5% | 14.9% | 3.8x |
| Harvey Norman Holdings Limited | 4.50 | 9.5x | 8.0% | 7.0% | 82.7% | 74.1% | 5.0x |
| Harmoney Corporation Limited | 0.52 | 9.5x | (0.6%) | 0.0% | (11.2%) | 0.7% | |
| Brickworks Limited | 24.08 | 9.5x | 6.5% | 1.9% | 98.8% | 30.5% | 5.7x |
| Magellan Financial Group Limited | 9.49 | 9.6x | 15.5% | 11.8% | 29.4% | 25.0% | |
| Adbri Limited | 1.82 | 10.0x | 4.6% | 4.9% | 15.4% | 16.4% | 3.7x |
| Centuria Office REIT | 1.59 | 10.1x | 3.8% | 3.7% | 6.3% | 6.1% | 13.8x |
| Nick Scali Limited | 11.89 | 10.4x | 14.4% | 10.6% | 2,726.5% | 2,044.1% | 4.9x |
| JB Hi-Fi Limited | 48.07 | 10.5x | 15.5% | 11.4% | 36.3% | 25.4% | 6.0x |
| Eagers Automotive Limited | 11.44 | 10.5x | 9.0% | 6.8% | 33.0% | 25.5% | 6.2x |
| Woodside Energy Group Limited | 36.78 | 10.6x | 8.9% | 7.4% | 17.5% | 14.3% | 5.8x |
| Super Retail Group Limited | 12.56 | 10.6x | 9.2% | 7.3% | 19.6% | 15.0% | 5.2x |
| Australia & New Zealand Banking Group | 24.88 | 10.8x | 0.7% | 0.6% | 25.4% | 26.5% | |
| Healthia Limited | 1.26 | 11.3x | 4.5% | 5.2% | 9.2% | 10.4% | 6.2x |
| Stockland Corporation Limited | 3.88 | 11.3x | 4.0% | 3.8% | 7.8% | 7.5% | 21.1x |
| Universal Store Holdings Limited | 5.40 | 11.6x | 15.5% | 16.2% | 29.3% | 29.4% | 5.1x |
| Bendigo and Adelaide Bank Limited | 10.17 | 11.7x | 0.6% | 0.5% | 10.6% | 9.8% | |
| CSR Limited | 5.19 | 11.7x | 9.5% | 9.3% | 24.1% | 24.2% | 5.8x |
| Dexus | 7.96 | 11.8x | 3.8% | 3.8% | 5.3% | 5.3% | 14.5x |
| Westpac Banking Corporation | 23.95 | 12.1x | - | - | | | |
| The Star Entertainment Group Limited | 1.90 | 12.3x | (1.0%) | 1.1% | (1.6%) | 1.7% | 6.6x |
| Suncorp Group Limited | 12.36 | 12.4x | 3.9% | 1.6% | 11.9% | 6.5% | |
| NRW Holdings Limited | 3.03 | 12.4x | 7.5% | 7.7% | 17.2% | 16.8% | 4.9x |
| Centuria Capital Group Limited | 1.85 | 12.8x | 5.2% | 5.1% | 8.1% | 8.0% | 9.6x |
| Metcash Limited | 4.19 | 12.9x | 5.1% | 5.5% | 34.1% | 38.0% | 6.1x |
| Aurizon Holdings Limited | 3.74 | 13.1x | 4.6% | 3.9% | 255.3% | 219.7% | 4.6x |
| National Australia Bank Limited | 31.71 | 13.1x | - | - | | | |
| Lynch Group Holdings Limited | 1.50 | 13.3x | 3.6% | 8.2% | 5.7% | 13.0% | 5.5x |
| Charter Hall Retail REIT | 3.90 | 13.5x | 3.9% | 3.7% | 5.7% | 5.3% | 16.1x |
| Platinum Asset Management Limited | 2.10 | 13.5x | 24.9% | 21.5% | 12.7% | 11.2% | 9.0x |
| Insignia Financial Limited | 3.64 | 13.6x | (0.7%) | 2.8% | (1.1%) | 4.6% | 8.4x |
| Beacon Lighting Group Limited | 2.35 | 13.7x | 12.2% | 9.5% | 26.0% | 19.6% | 7.0x |
| GPT Group | 4.48 | 13.7x | 3.7% | 3.5% | 5.4% | 5.2% | 17.5x |
| Orora Limited | 3.00 | 13.8x | 7.0% | 7.1% | 24.6% | 24.0% | 7.8x |
| Accent Group Limited | 1.94 | 14.0x | 6.2% | 6.3% | 16.7% | 16.8% | 5.4x |
| Abacus Property Group | 2.71 | 14.0x | 3.1% | 2.9% | 4.9% | 4.6% | 17.4x |
| The Reject Shop Limited | 4.19 | 14.3x | 2.3% | 3.7% | 6.3% | 9.5% | 2.3x |
| Allkem Limited | 12.61 | 14.5x | 11.2% | 9.4% | 20.7% | 19.4% | 7.3x |
| Estia Health Limited | 2.03 | 14.5x | (1.1%) | (1.5%) | (4.4%) | (6.0%) | 6.2x |
| Mirvac Group | 2.27 | 14.6x | 3.6% | 3.3% | 5.4% | 5.1% | 15.7x |
| Charter Hall Group | 13.14 | 14.7x | 10.1% | 10.2% | 12.8% | 12.5% | 10.9x |
| Premier Investments Limited | 26.87 | 14.8x | 12.4% | 10.5% | 16.9% | 14.1% | 7.2x |
| Perpetual Limited | 26.40 | 14.9x | 5.7% | 6.2% | 11.7% | 12.5% | |
| Vicinity Centres | 2.06 | 14.9x | 4.0% | 4.0% | 5.6% | 5.7% | 16.6x |
| Homeco Daily Needs REIT | 1.30 | 15.1x | 3.7% | 3.7% | 5.7% | 5.7% | 19.9x |
| Scentre Group | 3.03 | 15.3x | 2.8% | 2.9% | 5.5% | 5.5% | 14.4x |
| Mineral Resources Limited | 88.06 | 15.5x | 11.3% | 13.0% | 218.4% | 299.6% | 6.3x |

## *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 24TH JANUARY 2023

**BBB+, BBB, BBB-**

| Issuer | NZDX Code | Coupon | Maturity Date | CPN Freq | Credit Rating | Type | Min. Size | Best Offer Yield | Best Price/ $100 |
|---|---|---|---|---|---|---|---|---|---|
| Meridian Energy | MEL030 | 4.530 | 14/03/2023 | 2 | BBB+ | Senior | 5,000 | 4.920 | 101.62 |
| Wellington Intl Airport | WIA030 | 4.250 | 12/05/2023 | 2 | BBB | Senior | 10,000 | 5.719 | 100.44 |
| Summerset | SUM010 | 4.780 | 11/07/2023 | 4 | BBB-(NR) | Senior | 5,000 | 6.150 | 99.58 |
| GMT Bond Issuer | GMB050 | 4.000 | 1/09/2023 | 2 | BBB+ | Senior | 5,000 | 6.016 | 100.46 |
| Kiwi Property Group Limited | KPG020 | 4.000 | 7/09/2023 | 2 | BBB+ | Senior | 5,000 | 6.205 | 100.25 |
| Z Energy | ZEL050 | 4.320 | 1/11/2023 | 4 | BBB-(NR) | Senior | 5,000 | 6.096 | 98.54 |
| Meridian Energy | MEL040 | 4.880 | 20/03/2024 | 2 | BBB+ | Senior | 5,000 | - | - |
| Heartland Bank | HBL020 | 3.550 | 12/04/2024 | 4 | BBB | Senior | 5,000 | - | - |
| Investore Property | IPL010 | 4.400 | 18/04/2024 | 4 | BBB(NR) | Senior | 5,000 | 6.200 | 97.98 |
| Christchurch International Airport | CHC010 | 4.130 | 24/05/2024 | 2 | BBB+ | Senior | 5,000 | - | - |
| GMT Bond Issuer | GMB040 | 4.540 | 31/05/2024 | 2 | BBB+ | Senior | 5,000 | - | - |
| Wellington Intl Airport | WIA040 | 4.000 | 5/08/2024 | 2 | BBB | Senior | 10,000 | - | - |
| Contact Energy | CEN050 | 3.550 | 15/08/2024 | 4 | BBB | Senior | 5,000 | - | - |
| Z Energy | ZEL060 | 4.000 | 3/09/2024 | 4 | BBB-(NR) | Senior | 5,000 | 5.963 | 97.62 |
| Precinct Properties | PCT020 | 4.420 | 27/11/2024 | 2 | BBB+(NR) | Senior | 5,000 | 6.225 | 97.64 |
| Property for Industry | PFI010 | 4.590 | 28/11/2024 | 4 | BBB(NR) | Senior | 5,000 | 6.075 | 98.18 |
| Kiwi Property Group Limited | KPG030 | 4.330 | 19/12/2024 | 2 | BBB+ | Senior | 5,000 | - | - |
| Vector Limited | VCT090 | 3.450 | 27/05/2025 | 2 | BBB | Senior | 5,000 | - | - |
| Wellington Intl Airport | WIA050 | 5.000 | 16/06/2025 | 2 | BBB | Senior | 10,000 | - | - |
| Meridian Energy | MEL050 | 4.210 | 27/06/2025 | 2 | BBB+ | Senior | 5,000 | - | - |
| Summerset | SUM020 | 4.200 | 24/09/2025 | 4 | BBB-(NR) | Senior | 5,000 | - | - |
| Property for Industry | PFI020 | 4.250 | 1/10/2025 | 4 | BBB(NR) | Senior | 5,000 | 5.920 | 96.18 |
| Kiwi Property Group Limited | KPG040 | 4.060 | 12/11/2025 | 2 | BBB+ | Senior | 5,000 | 5.740 | 96.56 |
| Argosy Property | ARG010 | 4.000 | 27/03/2026 | 4 | BBB+(NR) | Senior | 5,000 | 6.045 | 94.48 |
| Manawa Energy | MNW180 | 3.350 | 29/07/2026 | 4 | BBB-(NR) | Senior | 5,000 | 5.480 | 93.19 |
| 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 | 5.250 | 90.51 |
| Metlifecare | MET010 | 3.000 | 30/09/2026 | 4 | BBB-(NR) | Senior | 5,000 | 6.250 | 89.61 |
| Argosy Property | ARG020 | 2.900 | 29/10/2026 | 4 | BBB+(NR) | Senior | 5,000 | 6.015 | 89.54 |
| Ryman Healthcare | RYM010 | 2.550 | 18/12/2026 | 4 | BBB-(NR) | Senior | 5,000 | 6.079 | 88.13 |
| Investore Property | IPL030 | 4.000 | 25/02/2027 | 4 | BBB(NR) | Senior | 5,000 | 6.021 | 93.41 |
| SBS Bank | SBS010 | 4.320 | 18/03/2027 | 2 | BBB+ | Senior | 5,000 | 5.550 | 97.05 |
| GMT Bond Issuer | GMB060 | 4.740 | 14/04/2027 | 2 | BBB+ | Senior | 5,000 | 5.419 | 98.82 |
| Channel Infrastructure | CHI020 | 5.800 | 20/05/2027 | 2 | BBB-(NR) | Senior | 5,000 | 5.850 | 100.88 |
| SkyCity Entertainment | SKC050 | 3.020 | 21/05/2027 | 4 | BBB- | Senior | 5,000 | 6.100 | 88.92 |
| Precinct Properties | PCT030 | 2.850 | 28/05/2027 | 2 | BBB+(NR) | Senior | 5,000 | 6.213 | 87.84 |
| Investore Property | IPL020 | 2.400 | 31/08/2027 | 4 | BBB(NR) | Senior | 5,000 | 6.084 | 85.72 |
| Manawa Energy | MNW190 | 5.360 | 8/09/2027 | 4 | BBB-(NR) | Senior | 5,000 | 5.525 | 100.06 |
| Mercury NZ | MCY030 | 1.560 | 14/09/2027 | 2 | BBB+ | Senior | 5,000 | 5.250 | 85.58 |
| Summerset | SUM030 | 2.300 | 21/09/2027 | 4 | BBB-(NR) | Senior | 5,000 | 5.940 | 85.53 |
| Oceania Healthcare | OCA010 | 2.300 | 19/10/2027 | 4 | BBB-(NR) | Senior | 5,000 | - | - |
| Argosy Property | ARG030 | 2.200 | 27/10/2027 | 4 | BBB+(NR) | Senior | 5,000 | 6.073 | 84.10 |
| Vector Limited | VCT100 | 3.690 | 26/11/2027 | 4 | BBB | Senior | 5,000 | 5.438 | 93.22 |
| Chorus | CNU030 | 1.980 | 2/12/2027 | 4 | BBB | Senior | 5,000 | 5.385 | 85.86 |
| GMT Bond Issuer | GMB1227 | 3.656 | 20/12/2027 | 2 | BBB+ | Senior | 50,000 | 5.805 | 91.32 |

**LIMITATIONS and DISCLAIMER**