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ECONOMIC, POLITICAL & INVESTMENT PULSE

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HOW IS NZ's COALITION GOVT GOING?

The media would have you believe that there is underlying tension with our current National-led coalition government. Don't believe a word of it – Trump would call it "Fake news" and he would be right.

Winston Peters has been working exceptionally hard as both Deputy PM and (more importantly) Foreign Minister. In the last 18 months he has spent 152 days travelling, visiting 44 countries. I don't expect past "shinanagins" from him as we approach the 2026 election, because he understands that such action would likely see him (and his NZ First Party) out of Parliament once again. Peters is proving to be a "wise senior politician" who is working collaboratively with National.

David Seymour has a high IQ but lacks in EQ and, as such, isn't getting the cut through that he had hoped for. David is about to take on the Deputy PM role and time will tell as to his ongoing performance.

Prime Minister Christopher Luxon has done a good job of corralling his coalition partners, but he needs to take a firmer role in his handling of a radicalised Te Pāti Māori and the role of the Waitangi Tribunal going forward.

VERSUS

NZ50 INDEX (1yr)

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STATISTICS NZ DATA

Estimated NZ population as at 26-May-25 **5,339,968**
Population: 1950: 1,911,608 2000: 3,855,266 Growth 1.8% this year
Births / Deaths: Births: **58,539** Deaths: **37,674** Mar-25 year
Deaths per 1,000 live births: Pasifika: **7.3** Māori: **5.7** European: **3.8**
Māori population Estimate Dec-24 (**17.4% of NZ pop**) **922,800**

Net Migration Mar-25yr (**NZ: -44,200; Non NZ: 76,700**) ↓ **26,400**
NZer Migration Jan-25yr (**Depart: 70,000; Arriv: 25,200**) **- 44,900**
Non NZ Migration Jan-25yr (**Depart: 53,200; Arriv: 124,400**) **+ 71,200**
Net migration by country Mar-25yr India: 18,010; China: 11,400; Philippines: 9,769; Sri Lanka: 5,638 Fiji: 2,724; South Africa: 2,485

Annual GDP Growth Dec-24 year (**Qtly Dec-24 -0.5%**) **0.7%**
Annual GDP Per Capita Dec-24 year **0.4%**

Size of Māori Economy 2024 (2013: $43bn 2020: $69bn) **$126 bn**
Size of NZ Economy (NZ GDP) Dec-24 year **$425 bn**

NZ Core tax Revenue 2023/24 year Treasury Data **$120.6 bn**
NZ Core Govt Debt 2023/24 year Treasury Data **$175.5 bn**
NZ Core Govt Debt/GDP 2023/24 year Treasury Data **41.7%**

Real Gross Disposable Income Dec-24 year **1.5%**
Inflation Rate (CPI) Mar-24 year (↓ from 3.3% to Jun-24) **2.5%**
Non-Tradable Inflation (Domestic) Dec-24 year **4.5%**
Food Price Inflation Dec-24 year **0.24%**
Household Cost of Living Dec-24qutr ↓ **0.4%**

Minimum Wage (up from $23.15 currently) from 1st April 25 **$23.50**
Living wage from 1-June-24 (to go to $28.95 on 1-Sep-25) **$27.80**
NZ Median Wage Dec-24 **$31.61**
Annual Wage Inflation Dec-24 year **3.3%**
Wages average per hour Dec-24 qtr **$42.57**
Labour force participation rate Dec-24 qtr **67.4%**
Unemployment Dec-24qtr Men: 4.9% Women: 5.2% ↑ **5.1%**
Youth Unemployment Dec-24 Highest in last decade **23.8%**
Beneficiaries (Jobseeker/Solo/Supported living) Decr-24 ↑ **409,665**
(11.6% of working-age population as at 31-Mar-24)
Jobseeker Support numbers Dec-24 ↑ **213,321**

"In the face of uncertainty, there is nothing wrong with hope"
Carl Simonton, Oncologist

LOCAL ISSUES

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

LOCAL BODY ELECTIONS – 11TH OCTOBER 2025

Voting starts about 2 weeks before election day and ends at 7pm on election day (Saturday 11th October), so you've got plenty of time to vote.

Give me a ring, if you are keen to discuss my views on matters Local Government. My door is always open.

VOTING WHEN YOU OWN PROPERTY IN A COUNCIL AREA, BUT DON'T LIVE THERE

Each council has a ratepayer roll for people who pay rates on a property but live in another part of the country. In that situation, a person can vote in the area where they live, and the area where they pay rates.
To apply, contact the electoral officer for the local council area where you pay rates but do not live.

Yes – I plan to stand again to represent Tauranga on the Bay of Plenty Regional Council.

This is a substantial "community service". Serving as an elected member of Local (and/or Central) Government can be extremely frustrating – especially on the Bay of Plenty Regional Council when, all too often, we (as "Right leaning" politicians) lose votes by 9 to 5.

Please take care to find out who you are voting for, as many left leaning members often disguise their true intentions.

If you are willing to support my campaign financially, I would really appreciate hearing from you.

"All it takes is one good person to restore hope"
Popo Francis (1936-2025)

Source: TDB Advisory Mar-25

Introduction

Since 1990, around 100 iwi in New Zealand have finalised Treaty settlements with the Crown. A Treaty settlement is an agreement to resolve historical grievances under the Treaty of Waitangi, typically including an agreed historical account, an official Crown apology, cultural redress (such as return of sacred sites or place names) and financial/commercial redress payments.

This report is based on the financial and commercial redress aspects of Treaty settlements. TDB Advisory annually reviews ten iwi, selected based on a range of factors: the year of Treaty settlement, the size of settlement redress, the iwi's population and the availability and transparency of their financial reports and disclosures. Although it has not yet reached a final settlement with the Crown, they have included Ngāpuhi because of the size of its member base (it is the largest iwi by population).

The Table below lists the ten iwi reviewed in this report, along with summary details of their settlements. These ten iwi collectively account for approximately 65% of the total Māori population in New Zealand (according to Census 2023 data) and manage roughly 70% of the total assets in the post-settlement iwi sector. In terms of geographic spread, the group covers iwi from both the North Island and South Island, ranging from Te Tai Tokerau (Northland) to Te Waipounamu (South Island).

Together, these iwi provide a representative snapshot of the post-settlement iwi sectors' investment strategies and financial performance.

THE TOP TEN IWI

	Location	Year of Deed	Redress amount, $, m	Population, 2024
Ngāi Tahu	South Island	1997	473	83,087
Ngāpuhi	Northland	Not negotiated	-	186,695
Ngāti Awa	Bay of Plenty	2005	43	22,074
Ngāti Pāhauwera	Hawke's Bay	2010	20	8,259
Ngati Porou	East Cape	2011	90	27,971
Ngāti Toa	Porirua	2014	71	9,576
Ngāti Whātua Ōrākei	Ōrākei	2011	18	7,562
Raukawa	South Waikato	2012	50	14,580
Tūhoe	Te Urewera	2013	169	51,655
Waikato-Tainui	Waikato	1995	465	89,609

JUST $135M DISTRIBUTED IN 2024 BY 10 BIGGEST IWI

The report by TDB Advisory highlights how Māori iwi entities distribute wealth to their members and communities while growing financial assets. The TDB report covered the period from 1-July-2023 to 30-June 30-2024.

- Iwi Wealth and Distributions: Ten iwi collectively distributed $135 million in 2024 and managed $8.2 billion in assets, primarily derived from property, shares, agriculture, fishing, and tourism. These iwi represent 70% of post-Treaty settlement iwi assets nationwide, totalling around $12 billion. **It is noted that $124m of that distribution came from just 2 iwi entities - Ngāi Tahu and Waikato-Tainui.**
- Examples of Distributions:
  - ***Ngāi Tahu***: $69 million for rūnanga development, education, environmental initiatives, kaumātua support, disaster recovery, cultural identity, and community engagement. Assets per member are now $19,000, down 20% from the 2022 peak.
  - ***Waikato-Tainui***: $55.6 million for marae, educational and cultural grants, tribal services, and community projects.
  - ***Ngāti Whātua Ōrākei***: $9.4 million in grants and scholarships, plus $2.6 million to support savings and investment schemes.
  - **Tūhoe** made $469,000 distributions in the 2024 financial year, including further investment in a hapū village development project and grants supporting kaumātua (elders) and education initiatives. A hapū village project began in 2023, with a $5m investment to create communal living and shared hapū resources. Tūhoe has committed an additional $14m in future funding to develop new villages and further build community.
  - **Ngāti Awa** distributed $600,000 in annual benefits: education grants, hapū distributions and funding for cultural and environmental projects.
  - **Ngāti Porou** makes distributions through its cultural arm Toitu Ngāti Porou. Those declined from $1.6m in 2023 to $370,000 and were mainly marae grants, donations, koha and educational sponsorships.
  - Smaller distributions by other iwi for cultural, educational, marae-related projects, and community well-being.

Iwi have tended to take a long-term view and have wanted to retain earnings and invest for future growth. That has served them well, enabling them to grow their asset base and in turn to pay higher dividends in the future.

Ngāi Tahu, for example, used to pay dividends of around $10m annually in its early days and reinvested most of its profits.

During the last three decades, its assets have grown from around $200m to $2b and it's now paying dividends averaging almost $100m per annum over the last three years.

IWI, CHARITIES & CHURCHES NEED TO PAY NORMALISED TAXION ON PROFITS IN COMMERCIAL ENTERPRISES

An interesting feature of the financials from New Zealand's Top Ten Iwi is the extremely low tax collection the NZ Inc receives (especially when to deduct the Government Grant Income). Remember that MBIE now states that the size of the Māori economy is now $126 billion – being 29.6% of the New Zealand economy (at $425 billion).

My premise is that if Māori, Charities and churches paid their fair share of taxation (for enterprises that compete with other business enterprises) then the tax rate for all New Zealanders could be substantially lower.

Sanitarian Foods (owned by the Seventh Day Adventist Church) is another that needs to be paying its fair share of New Zealand taxation.

FINANCIAL SUMMARY

Ngāi Tahu (y.e. June 30)

Balance sheet, $m	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets	1,219	1,348	1,504	1,676	1,924	1,930	1,830	1,923	2,280	2,129	2,097
Net worth	1,075	1,149	1,274	1,371	1,653	1,611	1,521	1,710	1,895	1,692	1,657
Total interest-bearing debt	95	134	127	248	208	257	235	160	322	346	378
Current liabilities	50	60	75	106	60	64	79	70	239	303	142
Income statement, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenue	320	346	385	330	312	352	299	300	320	373	347
Distributions	21	26	30	33	39	43	51	35	48	179	69
Operating exp. Trust	12	15	17	20	20	20	21	21	22	27	31
Finance costs	7	8	8	8	12	13	14	15	14	18	28
Taxation expense	0.4	0.5	0.7	0.8	0.9	0.8	1	1	1	3	4
Settlement received	13	29	0	0	199	2	3	0	1	98	0
Government grant income	0	0	0	0	0	0	0	0	1	4	0
Total comprehensive income	198	77	124	97	282	-39	-103	189	185	-109	-31

Waikato-Tainui (y.e. March 31)

Balance sheet, $m	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets	1,040	1,164	1,225	1,244	1,369	1,446	1,433	1,529	1,978	2,207	2,399
Net worth	784	862	940	1,068	1,172	1,246	1,211	1,328	1,685	1,762	1,868
Total interest-bearing debt	211	268	250	123	144	145	165	131	215	336	407
Current liabilities	38	33	241	18	19	41	136	140	48	62	53
Income statement, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenue	70	83	84	75	52	54	61	71	78	106	142
Distributions	6	22	9	31	21	20	20	40	36	39	56
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	14	17	15	9	7	7	7	6	7	9	21
Taxation expense	-2	-3	0	0	0.5	0	1	0	0.1	-0.4	0.0
Settlement cash received	0	13	0	0	190	17	1	3	0	103	0
Government grant income	0	0	0	0	0	0	0	0	0	0	1
Settlement reported	21	70	13	48	80	5	4	9	54	34	10
Total comprehensive income	74	84	80	140	104	74	-37	117	357	77	106

Tūhoe (y.e. March 31)											
Balance sheet, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Assets	254	301	328	348	365	386	373	420	441	406	443
Net worth	252	300	325	345	360	381	370	416	438	402	433
Total interest-bearing debt	0	0	0	0	0	0	0	0	0	0	0
Current liabilities	2	0.3	1	2	3	2	2	2	3	5	10
Income statement, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenue	8	8	9	12	11	12	12	16	12	13	18
Distributions	0	0	0.3	1	0.7	0.1	0.1	0.3	0.5	5.9	0.5
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Taxation expense	0.8	-0.2	2	0.5	0.1	0.2	-0.1	-1	-2	0	-1
Settlement received	108	29	0	0	0	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0	0	0	2
Total comprehensive income	119	49	25	19	15	21	-8	46	23	-37	32

Ngāti Awa (y.e. June 30)											
Balance sheet, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Assets	125	128	134	142	151	150	157	180	174	180	173
Net worth	107	110	114	115	124	123	126	147	149	153	149
Total interest-bearing debt	8	8	9	19	18	18	17	16	10	10	13
Current liabilities	13	5	7	13	11	13	19	24	13	24	13
Income statement, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenue	9	5	7	8	13	13	15	17	28	19	14
Distributions	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.3	0.6
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0.4	0.4	0.5	0.7	1	0.8	0.7	1	0.8	0.4	0.8
Taxation expense	0.1	0	0	0	0.1	0	0.3	0	0.3	0.0	-0.2
Settlement received	0	0	0	0	0	0	0	0	0	0	0
Government grant income	0.1	0.1	0.2	0.4	0.3	0.1	1	4	8	4	2
Total comprehensive income	6	4	5	3	9	0.1	3	22	4	3	-4

Ngati Porou (y.e. June 30)											
Balance sheet, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Assets	206	224	223	232	243	254	259	286	280	298	310
Net worth	189	201	201	211	223	229	233	257	245	252	259
Total interest-bearing debt	12	17	18	16	11	16	15	16	17	19	26
Current liabilities	8	12	6	15	10	13	15	26	24	31	32
Income statement, $m	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenue	28	27	33	33	34	31	32	30	40	54	64
Distributions	1	2	1	2	0.7	1	0.6	0.3	0.6	1.6	0.4
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0.7	1	1	0.6	0.4	0.4	0.4	0.2	0.4	1.0	1.3
Taxation expense	0.5	0	-0.1	0.9	0	1	1	0.2	0.4	0.6	0.0
Settlement received	0	0	0	0	0	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	4	12	0	10	12	5	4	24	-11	6	7

Ngāpuhi (y.e. June 30)

Balance sheet, $m	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets	52	53	56	58	59	62	65	71	86	98	104
Net worth	50	51	53	56	58	60	63	68	74	88	91
Total interest-bearing debt	0	0.1	0.1	0	0	0	0	0	3.0	2.8	6.1
Current liabilities	2	2	2	2	1	2	2	3	9	7	7

Income statement, $m	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	16	16	18	18	19	21	24	25	37	32	33
Distributions	0	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.7
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Taxation expense	0	0	0	0	0	0	0	0	0	0	0
Settlement received	0	0	0	0.1	0	0	1	0.3	0.4	0.2	0.5
Government grant income	0.2	0.1	0	0	0	0.6	0.4	10	16	19	23
Total comprehensive income	0.2	1	2	3	2	2	3	5	4	4	3

Ngāti Whātua Ōrākei (y.e. June 30)

Balance sheet, $m	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets	631	767	939	1,086	1,189	1,254	1,337	1,550	1,660	1,573	1,539
Net worth	482	553	717	855	934	975	1,028	1,276	1,362	1,321	1,264
Total interest-bearing debt	86	153	161	171	200	225	258	222	238	185	205
Current liabilities	60	59	58	61	106	139	40	42	50	57	54

Income statement, $m	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	41	43	57	51	39	53	58	73	65	97	80
Distributions	0.6	0.9	0.7	1	2	4	7	9	10	11	9
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	7	7	7	6	7	9	8	7	9	11	12
Taxation expense	6	0.4	4	5	0.8	2	3	3	3	2	5
Settlement received	0	0	0	0	0	0	0	0	0	0	0
Government grant income	5	4	4	4	3	3	3	6	13	12	13
Total comprehensive income	58	71	164	138	81	43	55	251	89	-37	-54

10 Habits Of Highly Confident People:

1. They maintain eye contact.
2. They speak with a steady, calm voice.
3. They don't feel the need to brag.
4. They listen more than they speak.
5. They aren't afraid to say "I don't know"
6. They don't need validation from others.
7. They embrace challenges and failures.
8. Practice Active Listening.
9. Network Strategically.
10. Reflect and Adjust.

POLITICAL CLIMATE

TAXPAYERS' UNION / CURIA May-25 POLL				
Party	Vote	Change*	Seats	Change**
National	34.6%	1.1%	42	(7)
ACT	9.5%	(0.5%)	12	1
NZ First	7.4%	nc	9	1
Labour	33.2%	3.4%	41	7
Green	9.1%	(1.9%)	11	(4)
Māori	3.9%	(0.4%)	6	0
Other	2.3%	(1.6%)	-	nc
* Change from Apr-25 ** Change since election				
Polling Period: 30th April to 4th May 2025				

TE PĀTI MĀORI ABOVE THE LAW

Source: Business Desk, 22-Apr-25

New revelations show Te Pāti Māori still hasn't produced an auditor's report for its 2023 financial statements of political donations. The party told the Electoral Commission that a "*delay with the auditing firm continued to be a problem*" in explaining why its 2023 accounts remain unaudited (now over a year late) – despite being paid for. This follows a pattern of missed deadlines, incorrect donation reporting, and a lack of transparency that's now drawing serious concern.

Back in 2020, the party also failed to properly declare large donations (over $300,000), some of which came from its own president John Tamihere, and other entities with strong ties to the party or public funding.

One donation even came from a publicly-funded charity – something that's now led to a government investigation and the threat of deregistration.

Authorities like the Electoral Commission and Police have issued warnings but still have yet to prosecute. Critics argue that Te Pāti Māori is not living up to the legal and ethical standards expected of political parties – especially one that positions itself as fighting for fairness and Māori rights.

Why would they bother to comply with the law, when the Police seem to give them a free pass? The way you get compliance is to haul the party secretary into court. Instead the Police have closed the file, despite TPM now being almost 10 months later (when after three weeks it is meant to be escalated to a more serious offence).

Te Pāti Māori needs to clean up its act, be more transparent, and stop making excuses. All political parties should follow the same rules, regardless of their size, cause, or community base.

> **Market research**
>
> "The problem with market research is people don't think what they feel, don't say what they think, and don't do what they say."
>
> David Ogilvy

TE PĀTI MĀORI CO-LEADERS DON'T BOTHER TO TURN UP FOR THE BUDGET

Much media coverage stated it would be terrible if the TPM co-leaders suspension meant they couldn't attend the Budget debate. In order to "clear the air" for the 2025 Budget, National decided to delay the debate on their suspension until June.

On Budget Day (22nd May) as MPs gathered for what is the most consequential event of the year – the Budget, one party had half of its MPs missing – including both co-leaders. That was TPM of course. Again, they have no interest in governing, legislating or scrutinising. If they did, their co-leaders would be there. To be honest I doubt anyone would notice any difference once they are suspended for 21 days.

GOVERNMENT ACCEPTS ELECTION PROCESS CHANGES

Voters can look forward to a more efficient, resilient, and transparent 2026 Election, with the Government accepting a wide range of recommendations, Justice Minister Paul Goldsmith has announced.

"*The Justice Committee made 65 recommendations following its standard inquiry into the last election,*" Goldsmith said. "*Many of these are practical improvements, such as introducing a single deadline for all candidate and party list nominations or adjusting the cut-off date for enrolments ahead of polling day. We plan to adopt 23 of the recommendations—either in full or in part—through an electoral amendment bill to be introduced later this year.*"

Key priorities should focus on timely final results

It's unreasonable to wait three weeks after election

day for final outcomes, especially when advance voting has already been open for three weeks.
To streamline the process, enrolments should close one week before election day—still allowing two full weeks after advance voting begins. Additionally, all ballots should be required to be received by election day to ensure results can be finalized within 48 hours.

This makes total sense. A big focus needs to be on getting final results as soon as possible after election day. We need to prioritise preventing the need to wait three weeks for final results when you have also had advance voting for three weeks. We need to cut off enrolments a week before election day (which is still two weeks after advance voting starts and require all ballots to be received by election day, so we can get results within 48 hours.

WHO IS DRIVING HEALTH – FACT OR SPIN?

The Ministry of Health is doing a review of how health professions are regulated. This review is part of an agreement between the National and ACT parties, so it has a clear political angle.

The Ministry has released a document called *Putting Patients First: Modernising Health Regulation*, which sounds positive. But if you look more closely, it seems like there may be political interference behind the scenes.

Over the last two years, almost all doctors who applied to work in New Zealand were approved—**only 0.5% were turned down**. The real issue isn't getting them in, it's keeping them here.

About 60% of these doctors leave the country within two years. So the main problem is retention, not registration.

NEW CRIME FIGURES SHOW POSITIVE DECREASE

SOURCE: NZ Herald, 16-April-25

In March last year, the Government announced nine targets which included ensuring there were 20,000 fewer victims of serious violent crime by 2029, equating to 165,000 victims, said Justice Minister, Paul Goldsmith. "*The latest New Zealand Crime and Victims Survey shows that for the year to February, there were 157,000 victims of violent crime. This is 28,000 fewer victims*

than the baseline set in October 2023," said the Minister.

"*We've provided police and the courts with extra tools to go after gangs, brought back a revised three strikes sentencing regime, restored real consequences for crime by limiting sentence discounts, and scrapped Section 27 reports*," Police Minister Mark Mitchell stated.

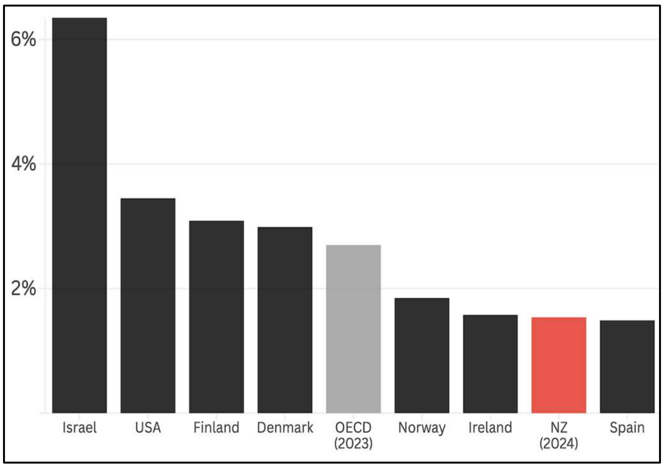
RESEARCH & DEVEOPMENT SPEND

Science, Innovation and Technology Minister, Shane Reti has welcomed a significant milestone in New Zealand's research and development (R&D) sector, with new figures showing total expenditure on R&D has climbed to $6.4 billion – a 21% increase since 2022.

Dr Reti says the strong rise in R&D expenditure demonstrates growing momentum and reflects the Government's commitment to backing science, innovation and technology as core drivers of economic growth and supports its global trade and investment agenda.

"*Using new ideas, knowledge and technology to develop better ways of doing things helps the New Zealand economy grow*," Dr Reti said.

NEW ZEALAND versus OECD

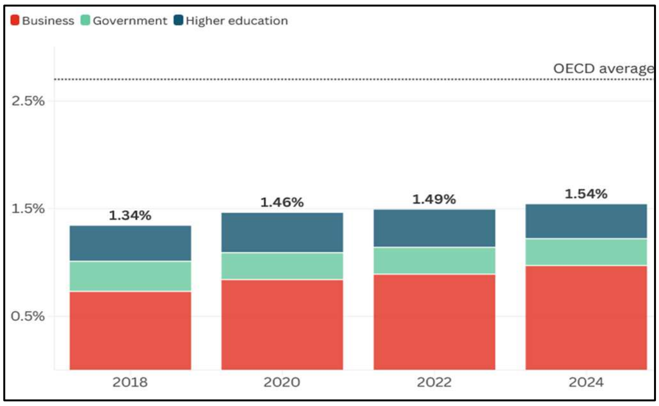


SOURCE: Stats NZ

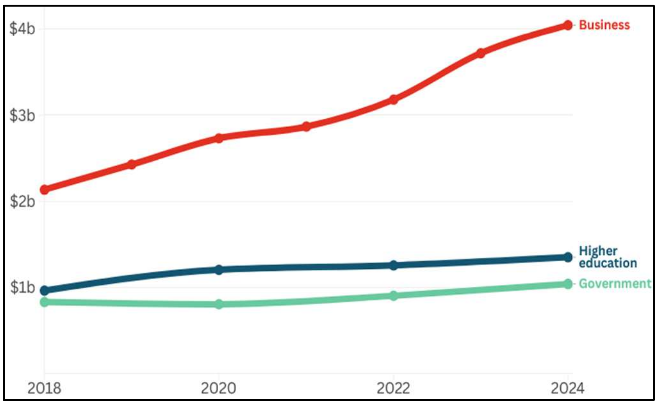
New Zealand no longer has a firm goal for R&D investment, with the National Coalition Government doing away with Labour's longstanding, and increasingly unachievable, target of 2%.
Figures just released show that R&D spend as a proportion of GDP hit a high of 1.54%, with total spend up by just over $1bn in 2022 to $6.4bn in 2024.

On an overall numbers basis this is impressive, but R&D as a proportion of GDP had only lifted by 5 basis points from 1.49% to 1.54% – far below the rate needed to hit the 2% target this decade.
Asked about the 2% target, Science Minister Dr Shane Reti says it is no more, and the target was a slogan of the previous administration. "*The Govt does not have an explicit target for R&D spend*," he says.

NEW ZEALAND'S R&D SPEND – 2022 TO 2024



NZ'S R&D SPEND
PRIVATE SECTOR VERSUS CROWN & UNIVERSITY SPEND



The 2% target is still referred to on the website for the research and development tax credit put in place to lift private sector expenditure. However, Minister Reti pointed out that investment was up across the board, with the Crown, universities and private sector all investing more in innovation.

The private sector was by far the biggest spender in 2024, pumping $4.05bn into R&D, nearly double the $2.13bn it spent in 2018.

Spend from higher education and the government has been more static, with $1.35bn and $1.04bn going into R&D respectively. This hasn't tracked in line with economic growth, with both spending less as a proportion of GDP than they did in 2018. If you take inflation into account, the government spent slightly more on research in 2018 than it did in 2024.

MORE PEOPLE ON BENEFITS ARE FINDING JOBS

The Ministry of Social Development says over 23,000 people receiving a main benefit found work during the first three months of 2025. That's an increase of about 2,400 people (11.6%) compared to the same time last year.

OTHER KEY POINTS INCLUDE:

- The number of people on benefits dropped for three months in a row – January to March 2025.
- The number of people on Jobseeker Support fell by almost 3,500 from December 2024 to March 2025.

Social Development Minister Louise Upston said the numbers are encouraging but she's being cautious.

She points out that even though Jobseeker numbers are improving, the total number of people on benefits is still higher than it was a year ago because of increases during 2024.

She praised MSD staff, saying their focus on helping people into work is paying off. Staff are working closely with Jobseekers – explaining not only what's expected of them under the new "traffic light" system but also showing what support is available to help them find jobs.

This one-on-one support is helping more people get job-ready, especially young people. The government has also launched new services, including:

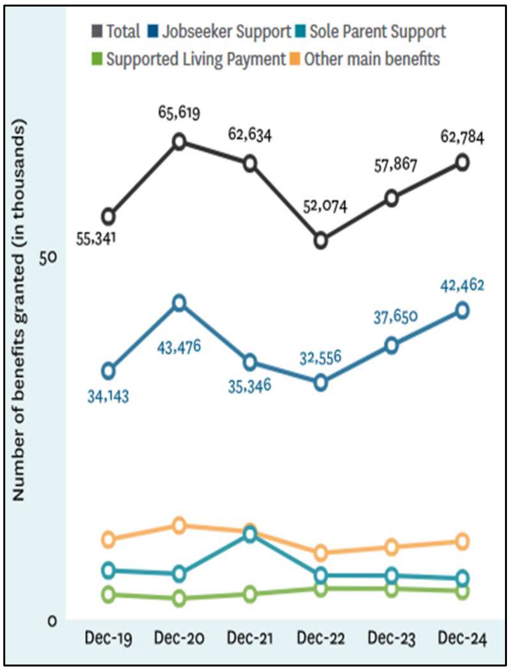
- A phone-based job coaching service for young beneficiaries.
- 2,100 extra places for young people to get help from community job coaches.
- More regular job seminars.
- A traffic light system to help people keep up with their obligations.

There's also a new payment available to help people relocate for a job. Minister Upston said these efforts matter because work isn't just about earning money – it also helps people feel connected, independent, and giving them purpose. And that can break the cycle of welfare dependence in families.

She noted that there's still more work to do, but these results show that strong support and early help are making a real difference.

At the end of December 2024, 409,665 people were receiving a main benefit. This was up 30,954 (or 8.2%) when compared to December 2023. The proportion of the working-age population receiving a main benefit increased to 12.6%, up 0.8% from December 2023.

NUMBER OF MAIN BENEFITS GRANTED - LAST SIX DECEMBER QUARTERS



Hardship assistance amount granted in the quarter - last five years (all ages)						
Assistance reason	**Dec-19**	**Dec-20**	**Dec-21**	**Dec-22**	**Dec-23**	**Dec-24**
Food	$30,344,354	$35,182,201	$31,755,247	$35,297,837	$35,840,128	$33,460,222
Accommodation Related	$23,944,559	$27,060,906	$25,285,074	$30,441,770	$27,482,789	$37,542,467
Medical and Associated Costs	$9,104,443	$10,669,161	$9,214,514	$15,558,920	$23,574,054	$24,555,268
People Affected by Benefit Stand Downs	$1,013,990	$272,095	$509,549	$800,884	$931,581	$840,911
Electricity and Gas	$5,383,668	$5,297,070	$4,437,894	$4,917,497	$6,032,122	$5,200,019
School Education Costs	$646,759	$679,224	$475,684	$615,480	$678,072	$639,247
Re-establishment Grants	$1,201,042	$1,010,625	$898,261	$1,387,920	$1,382,059	$1,494,016
Driver Licence	$363,777	$358,755	$171,315	$221,219	$240,708	$276,906
Health Related	$253,398	$177,992	$137,711	$153,365	$150,192	$173,351
Emergency Housing Grant	$48,125,062	$82,531,776	$109,439,539	$86,459,326	$86,222,360	$18,188,110
Other	$44,999,063	$51,829,587	$49,007,707	$54,785,701	$58,207,104	$51,036,658
Total	**$165,380,115**	**$215,069,392**	**$231,332,494**	**$230,639,918**	**$240,741,169**	**$173,407,175**

Characteristics of working-age recipients of main benefits - last 5 years							
Recipient characteristic		**Dec-19**	**Dec-20**	**Dec-21**	**Dec-22**	**Dec-23**	**Dec-24**
Continuous duration	One year or less	95,790	136,074	101,439	96,036	111,528	119,418
	More than one year	218,619	253,425	266,736	257,865	267,186	290,247
Gender	Male	138,267	177,639	161,715	153,462	167,523	185,649
	Female	176,112	211,287	205,371	198,963	209,127	221,478
	Gender Diverse	30	576	1,089	1,479	2,061	2,538
Age group	18-24 years	52,191	73,812	63,387	55,653	63,369	72,495
	25-39 years	106,101	134,682	128,046	123,789	133,842	144,804
	40-54 years	89,268	104,220	99,654	96,693	100,716	106,809
	55-64 years	66,852	76,785	77,085	77,769	80,784	85,560
Ethnic group	European	161,031	196,578	186,039	178,053	185,745	196,440
	Māori	116,271	140,103	134,163	130,974	140,445	149,949
	Pacific Peoples	32,325	43,071	40,665	38,283	43,047	48,603
	Asian	15,270	21,255	19,464	17,361	18,627	20,739
	Mid-Eastern/Latin American/African	5,208	6,399	5,958	5,706	6,177	6,789
	Other ethnicity	9,948	13,338	12,864	12,060	13,290	14,928
Total recipients with recorded ethnicity		**302,229**	**372,327**	**352,218**	**337,074**	**357,615**	**383,175**
Ethnicity not specified		12,177	17,175	15,957	16,830	21,096	26,490
Total		**314,409**	**389,499**	**368,172**	**353,904**	**378,711**	**409,665**

Figure 9a: Number of sanctions for unfulfilled work obligations during the last six December quarters.

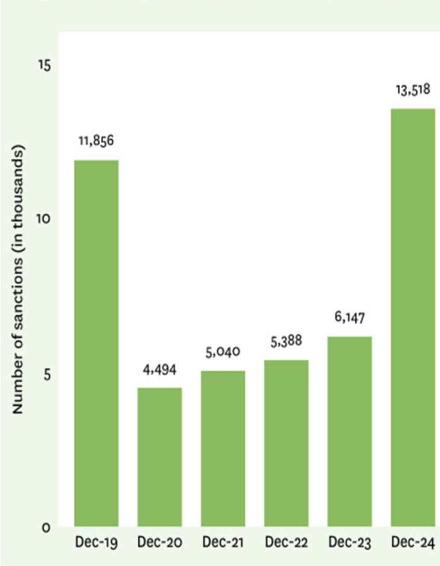


Figure 1a: Number and proportion of people receiving a main benefit at the end of the last six December quarters.

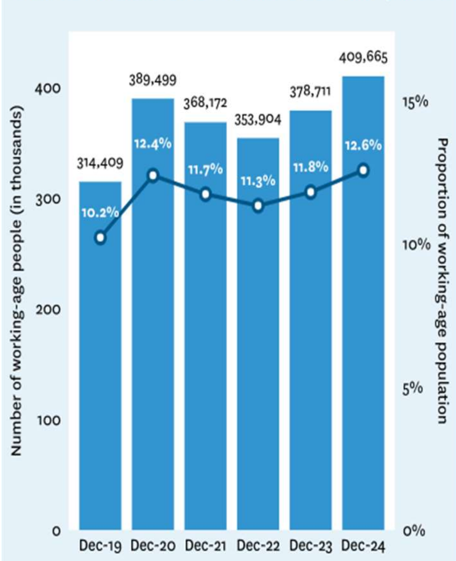
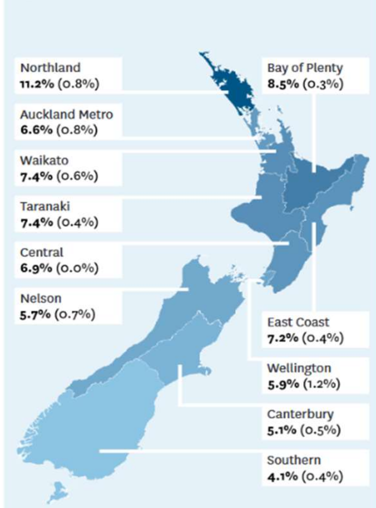


Figure 5: Regional distribution of Jobseeker Support as a proportion of the population by Work and Income region, as at December 2024.



Figures in labels refer to 'working-age population proportion' and 'percentage point change' respectively. All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.

LABOUR'S PAY EQUITY SCHEME WAS A DISASTER IN THE MAKING

The Herald reports: "*During her Budget presentation, Willis said that pay equity costs in 2020 were initially expected to reach $3.7b but there had since been a "blowout" with costs rising steeply, especially due to Labour's 2022 decision to fund claims in the "funded sector"*".

The exact figure isn't known, but as they have announced a $12.8b reduction in the cost over the next four years, it is safe to assume the scheme Labour put in place claiming it would cost under $4 billion was looking to cost over $15 billion.

In the long run the annual cost to taxpayers could have been around $5 billion a year. To fund this would mean the top tax rate would have to go from 39% to 57%!

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

UNITED STATES
Trump thinks he's clever
Not looking to smart re Ukraine where tariffs go

EUROPE
Germany is re-arming. Has to happen - unfortunately

INDIA
India is NZ's great hope
Can we get a Free Trade Deal??

AUSTRALIA
Albanese had a massive win
He can thank Trump

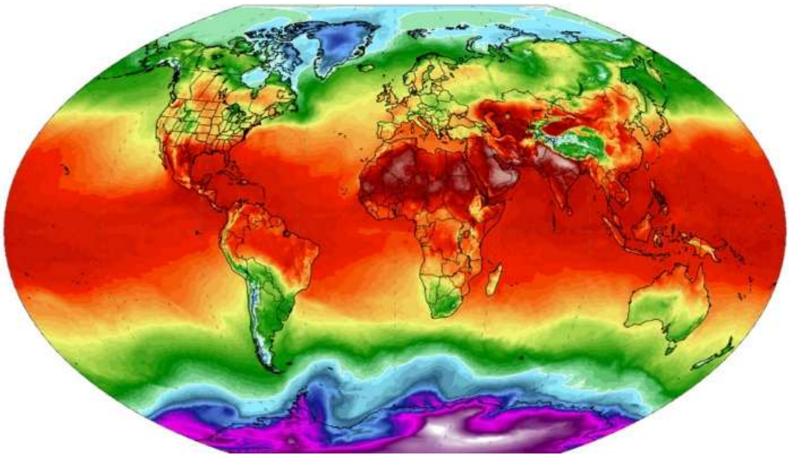
NEW ZEALAND
Māori are totally radicalised
NZ must address this - now

UNITED KINGDOM
Conservatives in disarray
Lib Dems on the rise

RUSSIA
Putin thumbs figure at Trump
How will Trump respond?

CHINA
China seems to be winning Tariff war
Another Trump back down

JAPAN
Japan recognises a growing danger
North Korea & China continue to threaten



WORLD HEAT MAP (above)

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

Meeting in Washington DC, the IMF weighed in on the likely economic impact of the proposed tariffs, cutting its forecast for global growth by 0.5% to 2.8% from its earlier forecast of 3.3% just three months ago.

However, its outlook for the US, unsurprisingly, is more dire forecasting that the increased tariffs and the associated uncertainty it has already caused will result in a "significant slowdown" predicting the world's largest economy will grow just 1.8% this year, down sharply from its previous estimate of 2.7%.

If those forecasts come to fruition it would be the weakest GDP growth rate in the US (excluding Covid) since 2016.

In terms of the NZ economy, last month the IMF projected growth to rebound to 1.4% this year and 2.7% in 2026, though those forecasts pre-date the recent tariffs announced on April 2 and subsequently paused. They will now likely be subject to revision once the final tariff impact is able to be calculated.

A major shift and the key to understanding the most recent IMF report and its pessimistic predictions is that we live in a much more uncertain world than we did three months ago.

NZ TRADING PARTNERS - REAL GDP

	Annual average % change			
	2023	2024	2025	2026
Australia	2.1	1.3	2.0	2.2
China	5.4	5.0	5.0	4.6
United States	2.9	2.8	0.9	0.9
Japan	1.5	0.1	1.0	0.8
East Asia ex China	3.3	4.3	3.7	3.8
India	9.2	6.5	6.2	6.2
Euro Zone	0.4	0.9	0.9	1.3
United Kingdom	0.4	1.1	1.0	1.2
NZ trading partners	3.3	3.2	3.0	3.0
World	3.5	3.3	2.9	3.0

NZ – KEY VIEWS

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

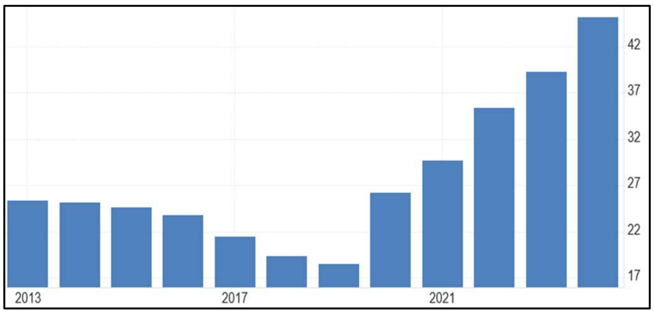
NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.37 million

NZ's Debt Problem

Government debt leapt up by almost $120 bn between 2019 and 2024, soaring from under $58 bn to $175 bn. Those are big numbers, amounting to $22,000 more in debt for every NZer.

Government Debt to GDP



New Zealand recorded a Government Debt to GDP of 45.2% of the country's Gross Domestic Product in 2024. Government Debt to GDP in New Zealand averaged 24.7% of GDP from 1972 until 2024, reaching an all-time high of 54.8% of GDP in 1992 and a record low of 4.4% of GDP in 1974.

The biggest problem with that increased debt was that much of it was unfocused and unaccountable. Labour threw huge sums to pet projects without any genuine accountability requirements.

We have to do better going forward. We must ensure our country is financially strong and resilient enough to effectively respond to whatever the future may throw - be it earthquakes, extreme climatic events, biosecurity incursions or whatever. The Minister of Finance has a huge job on her hands to reverse this debt spiral.

Trump has created volatile global economic conditions with forecasters around the world agreeing that global growth will be lower this year and next year than they were previously predicting. New Zealand doesn't seem immune from the fallout. New Zealand's economy will likely continue to grow, but not as fast as forecast a few months ago.

On top of all of that, it's also the case that New Zealand's long-term productivity and savings challenges haven't gone away.

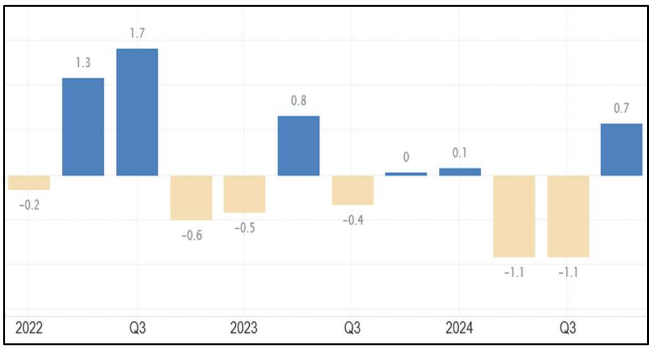
New Zealand's No 1 Problem – lack of Productivity

The next major NZ event will be the RBNZ MPS on 28 May, where a 25bp cut is widely expected. Much attention will be on the updated OCR forecast, a moderate reduction in the forecast terminal rate to the high 2s (from 3.10% currently) probably market consensus.

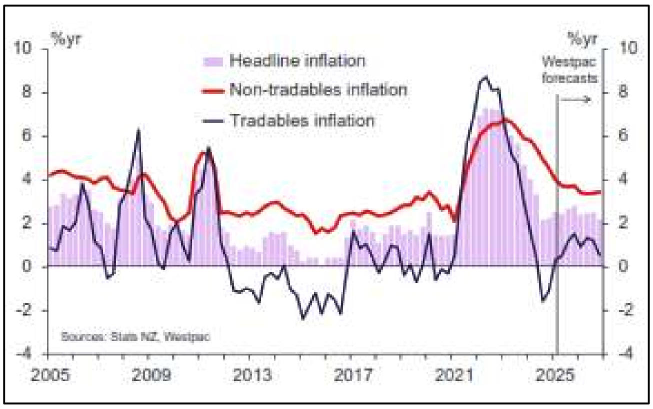
NZ Economy

New Zealand's economy contracted by 1.1% year-on-year in the December quarter of 2024, slightly outperforming expectations of a 1.4% decline, following a 1.6% drop in the prior quarter. The downturn was primarily driven by a 5.6% contraction in goods-producing industries, worsening from a 4.8% decline in Q3. However, the service industries saw a smaller decline of 0.7%, down from a 0.5% growth in the previous quarter, while primary industries grew by 2%, slightly up from 1.9% in Q3. On a quarterly basis, GDP expanded by 0.7%, reversing a 1.1% contraction in the previous quarter.

NEW ZEALAND - QUARTERLY GDP GROWTH RATE



Inflation



Inflation is comfortably inside the 1% to 3% target band, and Westpac expects that it will remain there over the year ahead. Even so, it's likely to linger above 2%. While domestic price pressures are gradually easing, there are still some pockets of pressure (like local council rates). In addition, imported price pressures won't be the large drag that they were last year.

Unemployment

The International Monetary Fund is projecting unemployment in NZ will surpass pandemic peaks to reach 5.3% in 2025, and will remain at that level until 2027, when it will drop to 4.7%. It predicts NZ will have the highest rate of joblessness of all Asia-Pacific countries over the next two years.

NZ's May 22nd Budget

Finance Minister Nicola Willis has outlined her approach, which includes **(1)** there has been a very high bar for new initiatives in the Budget. She has confirmed that there will be no lolly scramble in Budget 2025. New spending initiatives will be strictly limited to the most important priorities - a focus has been on health, education, law and order, defence, and a small number of critical social investments. Willis said she has also found room for modest measures to support business growth and to provide some carefully targeted cost of living relief.

(**2)** Beyond a small number of exceptions, govt departments are not receiving additional funding in the Budget. She expects government agencies to adjust themselves to New Zealand's limited fiscal means. This will require restraint in public sector wage increases and an ongoing commitment to getting more impact out of every dollar spent.

(3) They have undertaken a significant savings drive – with Ministers identifying areas of previously committed spending that can no longer be justified in light of the challenging circumstances New Zealand now faces.

Willis said that at every step, we've asked ourselves two questions:

1. Can these dollars be justified when we are borrowing to pay for them?
2. Can we be sure these dollars will do more good in this area than if invested in our most pressing priorities – like funding essential health services, better educating our kids, defending New Zealand's security or ensuring our future growth?

"Taken together, the Government's savings drive has freed-up billions of dollars. Those savings will now be re-deployed to fund New Zealand's most pressing priorities," Willis said.

Summary

- Finance Minister Nicola Willis delivered a tight Budget, as expected. Reduced allowances for new spending will be challenging for future governments without significant reprioritisation of existing spending or tax rises.
- Despite lower spending allowances, it takes slightly longer for the government to get the books back into surplus due to a weaker economic outlook.
- Today's Budget should stave off credit rating agency attentions in the foreseeable future, although our economy and the government finances remain vulnerable to a deterioration in the global economy.
- The Reserve Bank's future decisions are unlikely to be materially changed by the Budget. We continue to expect the Official Cash Rate to be cut to 2.75% by the end of 2025.

Willis Finance Minister Nicola Willis has delivered a relatively tight Budget, although it largely holds the line from the Government's previous Budget. At a high level, the Government has reduced the operating package to $1.3 billion average per annum, compared to the Budget operating allowance of $2.4 billion signalled in the 2025 Budget Policy Statement released in December 2024. This represents very tight Budgets over the next five years and may be challenging for future governments to adhere to given pressures in large spending areas such as Health and Education.

Despite smaller operating allowances and Treasury's forecast of a relatively benign economic recovery, the government's financial position deteriorates compared to what was expected. This is largely due to weaker economic activity than previously forecast, which reduces government revenues and increases government spending on unemployment assistance compared to previous expectations.

Spending as a share of the economy has remained largely unchanged compared to forecasts in the Half Year

Economic and Fiscal Update (HYEFU), while return to surpluses has been pushed out yet another year to

2028/29. Net core Crown debt is forecast to rise gradually and peak at 46.0% of gross domestic product (GDP) in 2027/28 before declining to 45.5% of GDP by the end of the forecast period. This is within the Minister of Finance's desire to keep net debt below 50% of GDP

The key announcements in the Budget include:

- A new 20% tax deduction on business capital equipment aimed at encouraging more investment in productive capital.
- Additional investment in health, education, law and order, and other public services.
- KiwiSaver changes aimed at boosting balances and making the scheme more fiscally sustainable.
- Additional Defence Force funding.
- New infrastructure, including a $1 billion investment in hospitals and over $700 million for schools.
- Targeted cost-of-living support for low- to middle-income families and other groups.

KiwiSaver changes

One of the centrepieces of the Budget is changes to the KiwiSaver scheme. The changes include:

- Halving in the in the government contribution rate up to a maximum of $260.72 and no contribution if income is over $180,000 from 1 July 2025.
- Increase in default employee and employer contribution rates from 3% to 3.5% in 2026 and

then to 4% in 2028 onwards. There will be an ability to temporarily opt out of the higher rates.

- Increasing KiwiSaver eligibility to 16 and 17 year-olds by extending the matching contribution.

The mandated increase in KiwiSaver contribution rates and extending eligibility would be expected to meaningfully increase KiwiSaver contributions and balances for most KiwiSaver members, which will likely boost future retirement incomes and wealth.

Economic recovery ahead

The Treasury forecasts the economy has begun a sustainable recovery, which will continue at a solid average annual pace of around 2.7% over the next five years. The recovery is seen to be relatively broad-based with consumption, residential investment and business investment predicted to rise robustly.

Government spending is expected to be relatively flat over the next five years. Considering the nature of the Governments tax and spending decisions over the forecast period, Treasury estimate the fiscal position will be mildly stimulatory this year, relatively neutral in 2025/26 and moderately contractionary over the following three years.

The unemployment rate is expected by Treasury to peak at 5.4% in the June quarter 2025 and then come down steadily thereafter to reach around 4.3% in the June quarter 2029.

Inflation is expected to be well behaved, reaching the centre point of the Reserve Banks 1-3% inflation target band by the end of 2026 and then stay anchored thereafter.

There were no significant surprises in the 2025 Budget, and it largely delivered what Nicola Willis promised. Now is the time for fiscal repair after a period of substantial fiscal deterioration in the wake of a Labour Government plus COVID.

AUSTRALIAN ECONOMIC OUTLOOK

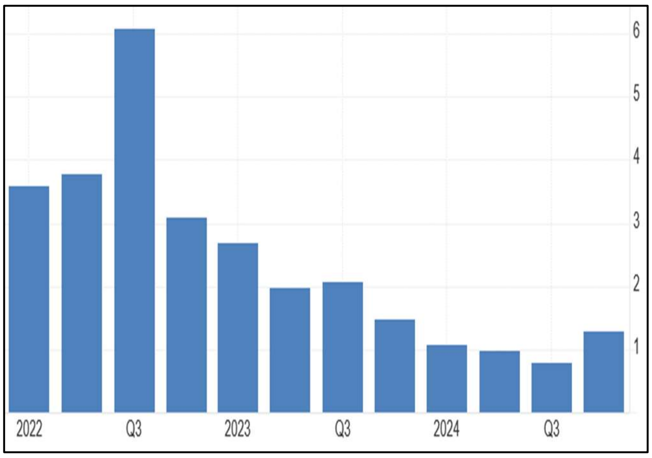
Population: 26.7million

Prime Minister Albanese has overwhelmingly won the Australian General Election.

Australian Economy

As widely expected, the RBA cut the cash rate by 25bps to 3.85%. The evolution of the language reflects underlying CPI is now back at target and headline CPI has been stable within target over the last six months. The RBA's base case is for growth to remain around 2%, inflation around the top of the target and unemployment at 4.3%. Under Jarden's scenario analysis, the bearish case (trade war) suggests interest rates could come down to 2.1% by the end of 2026. However, They think this is the least likely outcome and believe there will be two more cuts this year, with another cut in February 2026 taking the cash rate to 3.1%.

AUSTRALIA –ANNUALISED GDP GROWTH



Australians have become huge savers

The Australian superannuation scheme requires 11.5% employee contributions matched by 12% employer contributions. This scheme has the equivalent of NZ$4.5 trillion invested, making Australia the fifth largest holder of pension fund assets in the world, not per capita but in nominal terms. This savings regime has been a "game changer" for the Australian economy. They made the leap , introducing it in 1992 and have made progressive incremental increases to the savings rate. There is a lesson here for New Zealand.

Sharemarket outlook

Stock analysts remain bullish but sentiment is shifting across sectors, and Jarden has updated their Bull & Bear Index. The index provides a gauge of sentiment within ASX-listed stocks based on consensus analysts' recommendations. High volatility and major global market moves have not had a major impact on overall bullish sentiment relative to long-term averages but the recent April update shows a shift in sentiment across each sector.

The Energy sector shows the biggest negative sentiment shift (vs Feb-25) as expected

The Energy sector showed the most substantial negative sentiment shift since February despite maintaining historically elevated bullish ratings. Jarden had previously viewed the energy sector sub-index as overly optimistic relative to the global backdrop, so the bearish shift is now more consistent with cyclical factors while the longer-term structural outlook remains supported. They note, however, bullish recommendations remain elevated overall but showing signs of a peak.

Interest rate-sensitive sectors have turned more bullish since February as RBA rate cuts come through

- **Technology**: Unsurprisingly, the tech sector holds the highest index (most bullish) rating across all sectors. This is consistent with strong fundamentals around AI adoption and productivity growth providing upside to future earnings. Expectations for business de-regulation measures in the US are supportive of the sector though these have been overshadowed by the trade war.

- **Non-energy materials:** Showed the sharpest positive shift from February**.** The improvement is consistent with expectations for a pickup in dwelling construction on the back of the election polls at the time suggesting a clear re-election of the Labour Government (housing accord) coinciding with a moderation in construction costs. RBA rate cuts are also supportive. The ratio of ratings ticked up in April as bearish recommendations fell in the month.

- **The consumer shifts slightly more bullish:** Positive domestic fundamentals, further fiscal policy support and rate cuts drive the rise. With pre-election uncertainty out of the way and expectations RBA eases further in May, Jarden would expect consumer spending to pick up further.

- **Jarden will watch the healthcare sector:** Fiscal spending and monetary policy easing domestically are an upside for healthcare sector stocks. While the sub-index remains in bullish territory, global uncertainty is a key near-term risk for the healthcare sector. This has been reflected in an increase in neutral recommendations. The US administration released an Executive Order to lower Drug pricing that is expected to prompt pharmaceutical companies to negotiate price discounts for the US on a voluntary basis. Additionally, tariffs for the pharmaceutical industry are yet to be announced.

UNITED STATES ECONOMIC OUTLOOK

Population: 345.4 million

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

Trump has wasted no time in trying to remake the US in his image – with results that are sweeping, vengeful and chaotic, according to the Guardian. In three months Trump has shoved the world's oldest continuous democracy towards authoritarianism at a pace that tyrants overseas would envy. He has used executive power to take aim at Congress, the law, the media, culture and public health. Still aggrieved by his 2020 election defeat and 2024 criminal conviction, his regime of retribution has targeted perceived enemies and proved that no grudge is too small.

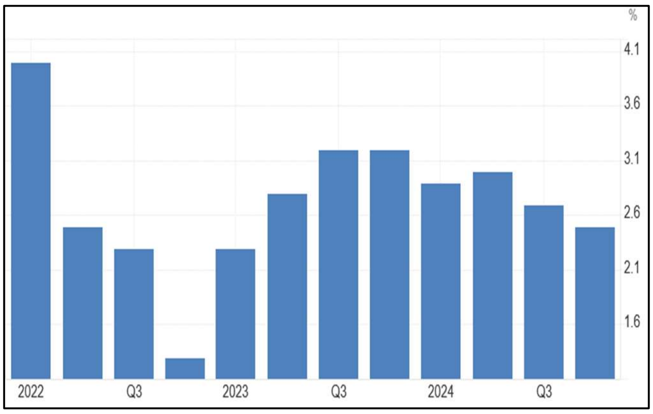
President Trump's first 100 days in office have been nothing but contentious, with significant shifts and challenges across various aspects of government and society.

Trump's overall approval rating is lower than it was only two months ago. The poll shows that 39% of adult Americans approve of the way Trump is handling his job, compared with 55% who disapprove, including 44% who disapprove strongly.

US ECONOMY

The US economy has been quite dynamic lately, with various sectors showing recovery and growth post-pandemic. The labor market has been improving, inflation seems to be moderating, and consumer spending remains robust. However, challenges like supply chain disruptions and global economic uncertainties still impact its stability.

UNITED STATES – ANNUAL GDP GROWTH RATE



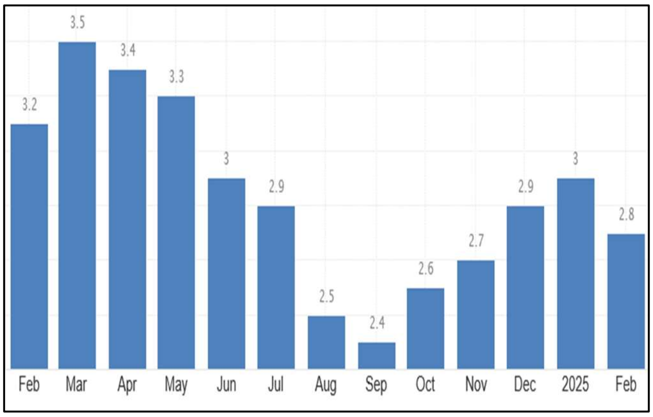
INFLATION

President Trump's tariffs are poised to exacerbate an ongoing inflation issue. Even before these new tariffs were imposed, the trend of decreasing prices for everyday items was nearing its end. Typically, prices tend to rise over time, but in the 20 years leading up to the pandemic, the cost of a typical basket of physical goods remained unchanged. Specifically, prices for core goods—excluding food and fuel—decreased by 1.7% from December 2011 to December 2019. In contrast, core services such as housing, healthcare, and education saw an annual price increase of 2.7% during the same period. This interplay resulted in an overall core inflation rate of approximately 2% per year.

During the pandemic, prices for goods surged, peaking in the summer of 2023 before beginning a decline over the subsequent year. However, as of September, core goods prices began to climb again, averaging an increase of 0.1% per month, with a notable rise of 0.2% in February.

Goldman Sachs economists expect that tariffs will push the Fed's preferred core inflation metric back up to around 3% this year, from 2.8% in February.

US ANNUAL INFLATION RATE



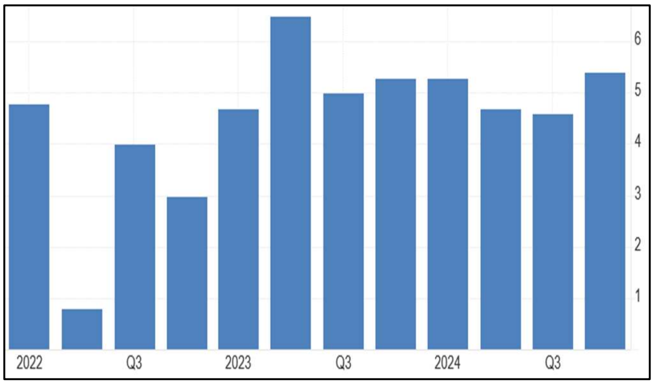
CHINESE ECONOMIC OUTLOOK

Population: 1.42 billion ↓

Chinese Economy

The Chinese economy expanded by 5.4% yoy in Q4 2024, accelerating from 4.6% in Q3 and surpassing market estimates of 5.0%. It was the strongest annual growth rate in 1.5 years, boosted by a series of stimulus measures launched since September to boost recovery and regain confidence. In December, industrial output growth quickened to an 8-month high, while retail sales emerged from a 3-month low. However, the jobless rate hit a 3-month top. On the trade front, exports logged a double-digit rise in December, marking the ninth straight monthly gain and reaching the largest amount in 3 years, as firms rushed to complete shipments ahead of potential tariff hikes under the US Trump administration. Imports saw an unexpected rise to notch their highest value in 27 months. For the full year, the GDP grew by 5.0%, aligning with Beijing's 2024 target of around 5% but falling short of a 5.2% rise in 2023. Last year, fixed investment rose by 3.2% yoy, faster than the 2023 pace of 3.0%.

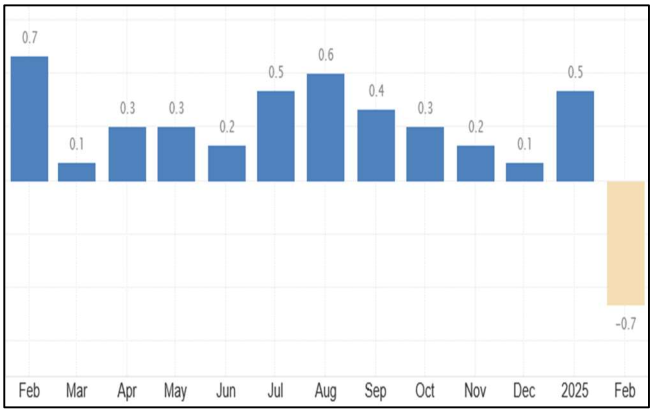
CHINA – ANNUAL GDP GROWTH RATE



Inflation Rate

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

CHINA – ANNUALISED INFLATION RATE



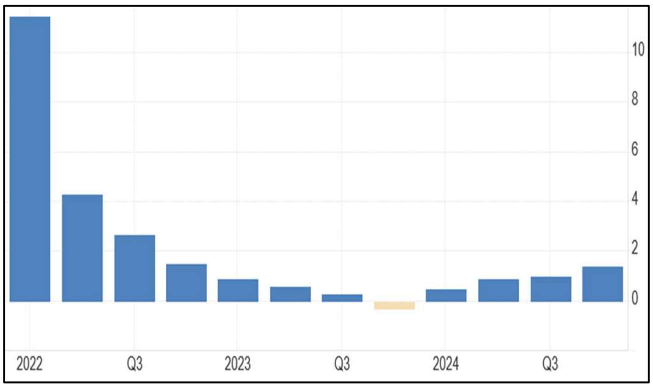
UNITED KINGDOM ECONOMIC OUTLOOK

Population: 69.1 million

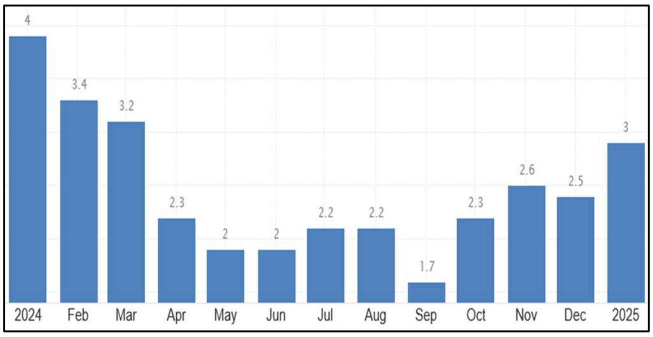
UK Economy

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

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



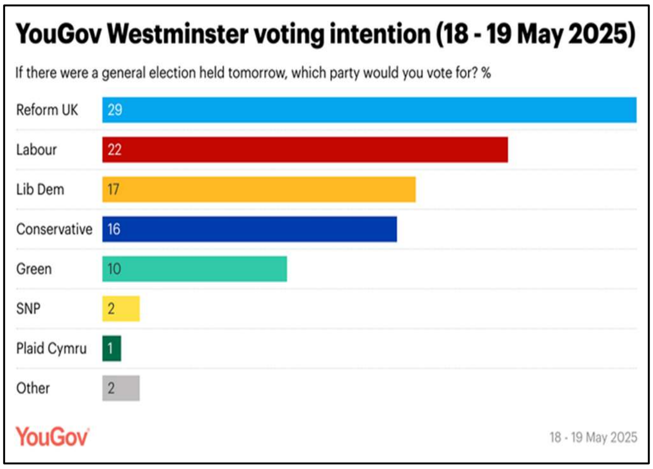
UNITED KINGDOM – ANNUAL INFLATION



CONSERVATIVES IN BIG TROUBLE IN UK

Conservatives fall into fourth place with their lowest ever YouGov vote share, while Reform UK post their joint-highest lead since the election.

Reform:	29% (+1 from 11-12 May)
Labour:	22% (-1)
Lib Dem:	17 (+1)
Conservative:	16% (-2)
Green:	10% (+1)
SNP:	2% (-1)



This YouGov poll would see Prime Minister Farage with a majority government. The seat projection on it is:

- Reform 346 (+341)
- Labour 145 (-267)
- Lib Dems 73 (+1)
- SNP 39 (+30)
- Conservatives 17 (-104)

EUROZONE ECONOMIC OUTLOOK

POPULATION: 449.2 million

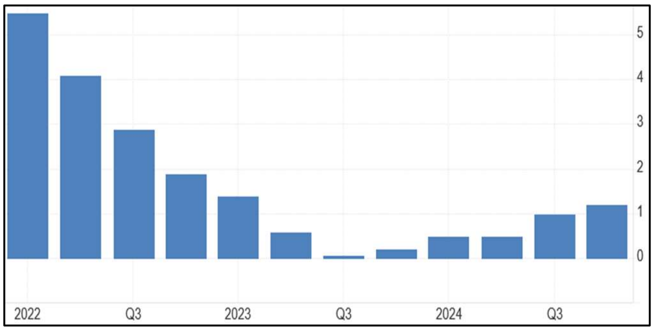
Investors are fleeing US Dollar assets. The euro has hit a three-year high against the greenback, up about 5% in just weeks.

French President Emmanuel Macron has called for Europe to assert its “monetary sovereignty” and reduce reliance on the “unpredictable” US dollar. He has reportedly quizzed the European Central Bank about opportunities to elevate the euro’s global status.

EU ECONOMY

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

EUROZONE – ANNUAL GDP GROWTH RATE



JAPAN’S ECONOMIC OUTLOOK

Population: 123.7 million

JAPANESE ECONOMY

The Bank of Japan said uncertainty over Japan's economy was growing as some firms worried about the hit to profits from higher U.S. duties, a sign that President Donald Trump's sweeping tariffs risk upending a moderate economic recovery.

The BOJ described the Trump-induced turmoil as "unlike any other shock" with the impact on the economy hard to quantify, suggesting the uncertainty will keep the central bank in a holding pattern for the time being.

JAPAN – ANNUAL GDP GROWTH RATE (%)

Japan had a current account surplus of 4.06 trillion yen (US$27.5 billion) in February, returning to the black for the first time in two months, driven by an increase in exports. Exports jumped 10.4% from a year earlier to 9 trillion yen and imports decreased 1.9% to 8.29 trillion yen.

INFLATION

Japan Inflation Rate is at 3.7%, compared to 4.0% last month and 2.8% last year. This is higher than the long term average of 2.4%.

INDIA’S ECONOMIC OUTLOOK

0 **Population:** 1.45 billion

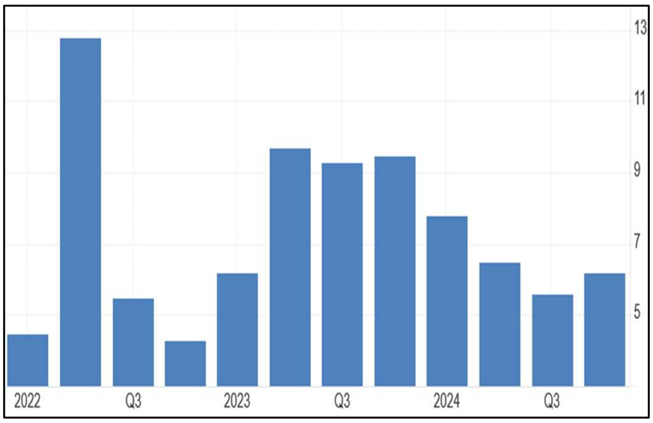
India has now overtaken China as the highest population nation in the world.

INDIAN ECONOMY

Indian economic growth likely picked up last quarter, a Reuters poll of economists found, in part from strength in rural spending related to better agricultural output even as urban spending likely remained more subdued.

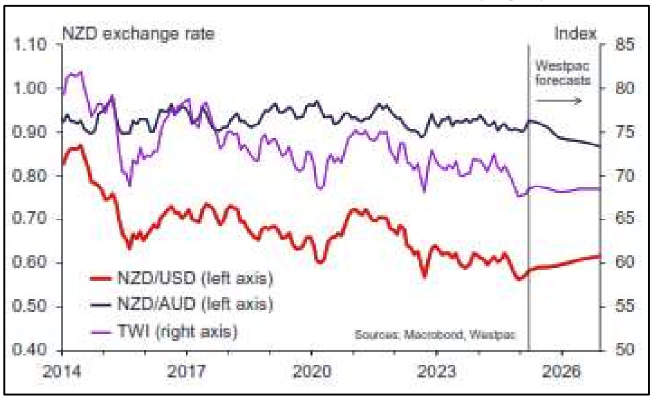
Gross domestic product in Asia's third-largest economy likely grew 6.7% year-on-year in the January-March period up from 6.2% in the previous quarter, according to the median forecast from a May 19-23 Reuters poll of 56 economists. Forecasts ranged from 5.8% to 7.5%.

INDIA – ANNUAL GROWTH RATE



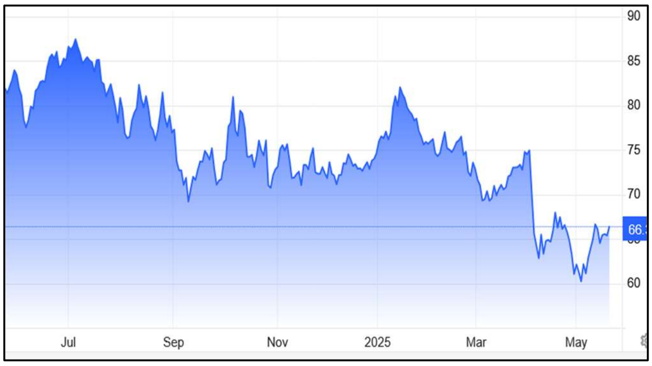
COMMODITIES

NZ EXCHANGE RATES – NZS / USD (5-yrs)



OIL – BRENT CRUDE

BRENT CRUDE (1-YR)



NOTE: New Zealand trades in Brent Crude Oil

Brent crude oil futures jumped above US$66 per barrel on 21st May, after reports emerged that Israel is planning a strike on Iranian nuclear sites. While it remains unclear if Israel has made a final decision, the news has already sparked concerns about potential supply disruptions in the key oil-producing Middle East region. Fears are also growing that Iran could retaliate by closing the strategically important Strait of Hormuz, a key export route for oil and fuel from major Gulf producers including Saudi Arabia, Kuwait, Iraq, and the UAE. Adding to supply worries is the uncertainty surrounding ceasefire talks between the US and Russia over the Ukraine conflict.

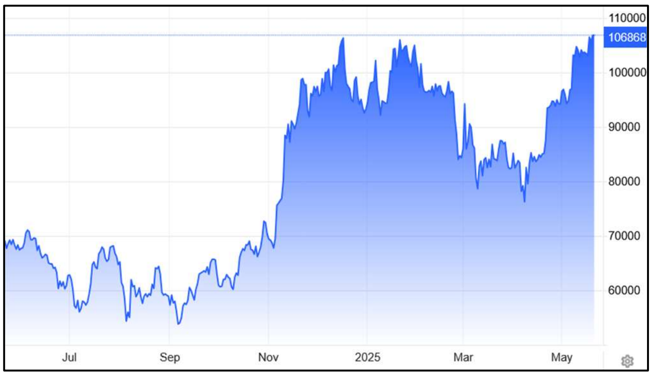
GOLD

GOLD (1-YR)

Gold hovered around $3,290, holding onto a more than 2% gain from the previous session, supported by geopolitical risks and persistent weakness in the US dollar. Reports that Israel is planning a strike on Iranian nuclear sites have raised concerns that the Middle East conflict could escalate, as such an attack might provoke retaliation from Iran. Geopolitical risks were further amplified after President Trump announced that Russia and Ukraine would begin ceasefire talks immediately, though he appeared to signal a reduced role in mediating the three-year conflict. Meanwhile, the US dollar remained subdued following the Federal Reserve's cautious economic outlook and Moody's downgrade of the US credit rating due to rising debt levels. Investor confidence was further shaken by ongoing uncertainty over tariff policies and an upcoming crucial vote on Trump's major tax reforms. A softer greenback has made gold more affordable for international buyers, boosting demand.

BITCOIN

BITCOIN (1-YR)



Bitcoin's 3% surge to $106,851 on May 20, 2025, is fuelled by US$6.9 billion in ETF inflows, corporate buying, and a bullish patterns.

Record futures open interest, and macroeconomic tailwinds drive Bitcoin's rally, with projections of $150,000–$180,000 by year-end 2025.

Despite bullish signals, Bitcoin faces volatility risks, with potential corrections to $91,000–$98,500 before a sustainable breakout.

Bitcoin - Key Support and Resistance Levels

Level	Price Range	Description
Resistance 1	$106,000–$109,000	Neckline and previous all-time high
Resistance 2	$130,000–$138,000	Cup-and-handle target and Q3 projection
Support 1	$97,000–$98,500	Near-term support zone
Support 2	$92,400–$95,000	Aligns with 50-day and 200-day EMAs
Support 3	$90,000–$91,000	2024 support zone, deeper correction level

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



NATIONAL IN A QUANDARY OVER CLIMATE

In February, the National Party found itself in a bit of a pickle – not over polls warning of electoral ruin (the first one-term National Government in history), but over something far more existential than just the 2026 election.

- NEW CLIMATE TARGET: The Government set a new climate goal (NDC) for 2035 — to cut emissions by 51–55% from 2005 levels, as released by Climate Change Minister, Simon Watts.
- BACKLASH FROM FARMERS: The announcement upset many rural National Party MPs and farmers, who were already feeling fragile by National's indecisiveness. They worried the target would hurt farming and were frustrated they weren't being listened to.
- POLITICAL PROBLEMS: Minister Watts got caught between farmers who think the targets are too tough and environmentalists who think they're not tough enough. Watts hinted that New Zealand might not meet the 2030 target without buying expensive international carbon credits, which upset both rural voters and urban climate voters.

The problem, as I see it, is the reliance on forestry (and the Emissions Trading Scheme) to solve our ongoing emissions profile issue. As we are currently seeing – log prices are subject to market forces, and what was projected as a $70,000+ per hectare for exported logs (harvested after 30 years) is currently around $18,000 per hectare. Trees being currently harvested are an economic disaster for those who are having to harvest them right now.

- DAMAGE CONTROL: Watts met with farmers to calm them down, promising farmers' interests would come first. This fixed the internal party tensions for now, but it could hurt National later if rural voters switch to NZ First or Act, or if urban voters get angry about climate inaction.
- BIG PICTURE: National risks losing future elections if they don't find the right balance between rural and urban voters. They can't depend on old Covid-era anger forever to win cities like Auckland.

The current strategy delays the problem for another day and turns a problem with National's rural support into a problem for its urbanites. What happens as 2030 approaches and the Government makes good on its pledge to write no cheques?

METHANE MADNESS

SOURCE: Fed Farmers, Toby Williams

Climate change is a hot topic in rural New Zealand – and it's safe to say Federated Farmers have significant concerns about the Government's current direction of travel.

I don't need to tell you how badly broken our current policy settings are. They're undermining farmers' profitability and threatening the viability of our rural communities.

They're also the root cause of a whole heap of other challenges farmers are struggling with, from out-of-control pest numbers through to the continued planting of productive land in pines.

The Government are currently in the process of considering changes to methane targets, but there is a very real risk we could still end up being asked to make an unrealistic 24% reduction by 2050.

They think farmers are already 'on track' for this level of reduction, but this is based on increased forestry and wishful thinking about the arrival of new technologies.

Let's be honest. To date, most of our emissions reductions have been driven by one thing and one thing only – shutting down farms and putting them into pine trees.

Since 2007, when the ETS was first introduced, our national flock has fallen by almost 40%. We're losing almost a million sheep a year.

In the last seven years alone, we've lost over 260,000 hectares of productive farmland to pine trees – is that really the future we want for our country?

I want to make it very clear to our members that Federated Farmers will never accept a 24% methane reduction target. We will be standing firm on this issue.

Rural MPs should be sitting up and taking notice, because farmers are not happy with where things are heading.

ALL GRAPHS ARE ONE YEAR

AFT PHARMACEUTICALS

Research: 22nd May

AFT has delivered a FY25 operating profit of $17.6m, which was the midpoint of guidance provided at the 1H25 result ($15m-$20m), and modestly ahead of our ingoing expectation ($17m). Key variances vs Jarden were a ~$6m miss across Asia and Rest of World (RoW) revenues and lower selling & distribution costs (~$3m), partly offset by higher R&D expenditure (~$1m). This represents a -27% decrease on pcp ($24.2m), the decline partly attributable to the 1H25 one-off events (South Korean doctors' strike and international customer destocking) offsetting strong revenue growth in Australia (+17%) and New Zealand (+10%). Overall, a solid 2H performance and rebound after a tough 1H25. AFT also announced a 1.8cps dividend.

2026 P/E: 16.5 2027 P/E: 14.1

NZX Code:	**AFT**
Share Price:	**$2.70**
12mth Target:	**$3.10**
Capital gain	14.8%
Dividend yield (Net)	0.9%
Total return	**15.7%**

Rating: **OVERWEIGHT**

52-week price range: 2.37-3.42

AIR NEW ZEALAND

Research: 16th April

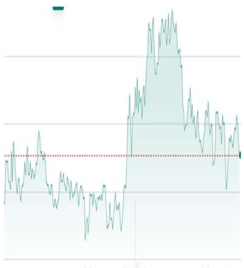
Full year FY25 reported NPBT guidance of $150m - $190m: After delivering reported NPBT of $155m in 1H25, AIR's full year FY25 guidance of $150m - $190m suggests reported NPBT of ~$15m in 2H25, based on the guidance midpoint. This 2H25 figure includes COVID credit breakage of $20m and engine compensation of ~$35m - $40m. Excluding these figures suggests that AIR's underlying NPBT will be a net loss in 2H25 of ~$40m and a near breakeven result for the full year. At its recent result, AIR estimated that the 1H25 earnings impact from engine issues was ~$135m. Noting that there are more planes currently out of service, a rough extrapolation suggests a ~$300m full year impact, highlighting the difficulties that AIR is currently facing.

2025 P/E: (102.3) 2026 P/E23.6

NZX Code:	**AIR**
Share Price:	**$0.58**
12mth Target:	**$0.59**
Projected return (%)	
Capital gain	2.6%
Dividend yield (Net)	3.1%
Total return	**5.7%**

Rating: **NEUTRAL**

52-week price range: 0.51-0.65



AUCKLAND INTERNATIONAL AIRPORT

Research: 5th May

While recent media reports referencing an MBIE review have raised concerns around regulation of AIA's second till, Jarden's review of relevant documents and subsequent correspondence with MBIE suggests this risk is materially overstated. Cabinet papers and consultation documents highlight a clear focus on mergers and anti-competitive behaviours, specifically referencing the fuel, residential building products supplies, groceries and personal banking sectors, with no mention of regulated monopolies. Jarden also benchmark AIA car parking pricing vs Auckland CBD and other ANZ airports, finding AIA compares well on both fronts. As a result, they believe a future regulatory review similar to those undertaken in Australia would likely find limited evidence AIA has exercised excessive market power. The release of AIA's FY25-47 Masterplan was broadly consistent with that published in 2014, albeit with volume forecasts pushed out and the second runway delayed from FY28 by ~10 years. As a result, Jarden has reduced their near-term normalised NPAT forecasts by 5-7% and lower long-run passenger forecasts to align with the Masterplan for International volumes.

2025 P/E: 41.6 2026 P/E: 42.8

NZX Code:	**AIA**
Share Price:	**$7.87**
12mth Target:	**$7.75**
Projected return (%)	
Capital gain	-1.5%
Dividend yield (Net)	1.7%
Total return	**0.2%**

Rating: **NEUTRAL**

52-week price range: 7.07-8.85

CONTACT ENERGY

Research: 12th May

CEN remains Jarden's preferred sector pick, driven by valuation support and expected positive news flow. April opstats imply an EBITDA of c. $96m (Jarden est. $88m). This is up $33m on the prior corresponding period (pcp), and reflects strong geothermal output, higher thermal volumes, firmer netbacks across both retail and C&I channels, and a modest rebound in hydro. Geothermal generation rose 39% YoY to 383 GWh, partially offsetting a 25% drop in hydro generation (251 GWh vs 333 GWh pcp). Hydro volumes rebounded from just 172 GWh in March. Thermal generation of 63 GWh (+7% YoY) also contributed, as CEN managed storage (Clutha at 72% of mean) amid ongoing dry conditions

2025 P/E: 2026 P/E: 41.9

NZX Code:	**CEN**
Share Price:	**$9.15**
12mth Target:	**$11.11**
Projected return (%)	
Capital gain	22.7%
Dividend yield (Net)	4.5%
Total return	**27.2%**

Rating: **BUY**

52-week price range: 7.86-9.80

DELEGAT GROUP

Research: 28th April

DGL has lowered its FY25 case sales guidance, with US tariff settings causing disruption to North American shipments. DGL has lowered case sales guidance to 3,182k, down -5% (-166k cases) on its February 2025 guidance and -12% y/y. FY25 Operating NPAT guidance also falls to $47m - $50m, down c.-12% from February guidance of "the lower end of $55m - $60m". Having been tracking broadly in line with previous guidance for the nine months to 31 March, the downgrade is driven by lower shipments to North America following the tariff uncertainty, as distributors opt to wind down in market inventory. Assuming a higher 4Q (FY) has a higher seasonal sales weighting, Jarden estimates the current volume downgrade equates to c.-38% on quarterly sales to North America. This aligns with previous company commentary indicating distributors were looking to halve inventory in market. The downgrade is a function of shipments and is unlikely to represent depletions.

2025 P/E: 8.7 2026 P/E: 9.2

NZX Code:	**DGL**
Share Price:	**$4.09**
12mth Target:	**$6.40**
Capital gain	56.5%
Dividend yield (Net)	4.9%
Total return	**61.4%**

Rating: **OVERWEIGHT**

52-week price range: 3.65-6.06

EBOS — Research: 11th April

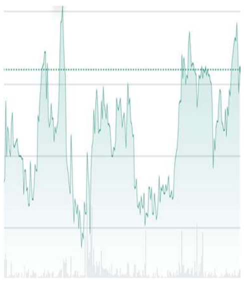
EBO announced an equity raising to fund two acquisitions and leave the company with ongoing balance sheet capacity for new management and to pursue bolt-on M&A as a growth strategy. The raise has two components: (1) A$200m via an underwritten placement at NZ$36.65 (~5% discount to last close), 5.9m new shares or ~3% of existing shares on issue; and (2) a non-underwritten retail offer to existing shareholders of up to A$50m. EBO also reiterated their existing FY25 EBITDA guidance of A$575m to A$600m (Jarden ingoing A$601m), excluding any contribution from SVS in 4Q25. The use of funds is for the acquisition of (1) SVS Veterinary Supplies, a leading supplier of pet medicines and other products to veterinary clinics and specialty retailers in NZ (NZ$115m upfront and up to NZ$10m in earn-out, in total ~7x EV/EBITDA for FY25); and (2) as previously announced, the remaining 10% stake in Transmedic for A$35m.

2025 P/E: 24.5 2026 P/E: 22.1

NZX Code:	**EBO**
Share Price:	**$38.56**
12mth Target:	**$41.50**
Capital gain	7.6%
Dividend yield (Net)	2.6%
Total return	**11.0%**

Rating: **OVERWEIGHT**

52-week price range: 31.02-42.55



FLETCHER BUILDING — Research: 15th May

At its Investor Day on 24 June, Jarden expects FBU's management to detail its strategy for capital structure, operating model and portfolio reset. They believe there is enough opportunity for the day to be a modest catalyst. With the infrastructure recovery slower than expected and residential markets still soft, they now forecast FY26F EBIT of $477m (prev $528m). However, Jarden lifts their target price to $4.30 (prev $3.86) after reducing the company-specific risk premium in their MRP from 1.5% to 0.75%, reflecting greater management stability and the appointment of a Chair. This illustrative sum-of-the-parts valuation implies FBU could be worth $4.60/share, highlighting the potential for a bold portfolio strategy.

2025 P/E: 17.9 2026 P/E: 15.5

NZX Code:	**FBU**
Share Price:	**$3.40**
12mth Target:	**$4.30**
Projected return (%)	
Capital gain	26.5%
Dividend yield (Net)	0.0%
Total return	**26.5%**

Rating: **BUY**

52-week price range: 2.37-3.55

GENESIS ENERGY — Research: 24th April

Genesis reported Q3 EBITDA of c.$69m. While this figure is down by c.$17m compared to its prior comparable period (pcp), it is c.$10m ahead of Jarden's estimate from the interim results update. The company's FY25 EBITDA guidance remains at $460m, while Jarden's current estimate stands at $469m. The company is advancing with its value unlock strategy and appears well prepared for the winter months. Jarden maintains their Buy rating and target price of $2.94. The key risks include regulatory changes, lower-than-expected inflows into its hydro lakes, an increasing carbon price outlook, and rising thermal fuel costs.

2025 P/E: 19.2 2026 P/E: 17.9

NZX Code:	**GNE**
Share Price:	**$2.16**
12mth Target:	**$2.94**
Projected return (%)	
Capital gain	36.1%
Dividend yield (Net)	6.7%
Total return	**42.8%**

Rating: **BUY**

52-week price range: 2.05-2.40

INFRATIL — Research: 11th April

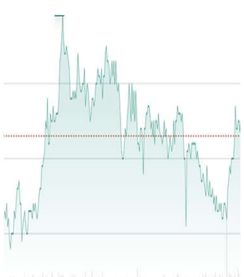
IFT is trading at a large discount despite an impressive track record which should support further net asset value increases over the medium term. Positive view largely centred on increased conviction on CDC's growth profile - including development pipeline, EBITDA margins are continuing to increase, and new contracts are still being signed at ~30year weighted average lease term. The share price implies IFT's CDC stake is worth $4.0-$4.5 billion – a c33% discount to Jarden's value of $6.4 billion and a 35% discount versus the 31 March independent value of $6.6 billion. The share price also implies a forward EV/EBITDA of 30x – this represents a ~6% discount to current NextDC's EV/EBITDA of 32x (which is down from ~40x a month ago). Worth noting that later this year, IFT will have additional governance rights as its shareholding in CDC increases to 49.75% – hence, the discount appears excessive.

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

NZX Code:	**IFT**
Share Price:	**$11.18**
12mth Target:	**$13.00**
Projected return (%)	
Capital gain	30.7%
Dividend yield (Net)	1.9%
Total return	**32.6%**

Rating: **OVERWEIGHT**

52-week price range: 9.13-13.34



INVESTORE PROPERTY — Research: 16th May

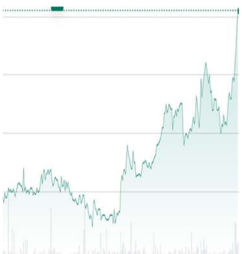
Solid operating result with little news to digest. The operating result was stronger than expected, with IPL delivering NPI ($62.3m), dist. profit ($28.4m) and AFFO ($24.6m) ahead of Jarden's estimates, albeit largely timing related (re-leasing ahead of expectations; maintenance capex) and on interest. IPL's portfolio values saw a small positive uplift of $12.2m (+1.3%) which appears to be driven by an improvement in transaction activity over the start of CY25. Pleasingly, gearing is down back within IPL's target range at 38.5% (FY24: 40.8%) on the back of asset divestments and hedging remains robust at 74% (FY24 88%). FY26E dividend guidance of 6.50cps provided with IPL targeting to pay out towards the lower end of their payout policy (80% - 100% of distributable profit). The DRP has also been turned off.

2025 P/E: 14.8 2026P/E: 14.4

NZX Code:	**IPL**
Share Price:	**$1.15**
12mth Target:	↑ **$1.26**
Projected return (%)	
Capital gain	9.6%
Dividend yield (Net)	5.7%
Total return	**15.3%**

Rating: **OVERWEIGHT**

52-week price range: 0.97-1.29

	**MERCURYENERGY** Research: 15th May MCY's EBITDA was around $139m, $77m below pcp and $49m below the Jarden estimate. The decline in generation volume is prompting Mercury to revise its FY25 EBITDAF guidance downward to $760m (from $820m). Jarden has lowered their FY25 EBITDA forecasts for MCY to $763m (from $837m). They have adjusted their MCY 12mth target price to $6.96 (from $7.09), retaining Overweight ratings. They remain of the view that the FY25E EBITDA year represents a hydro-driven aberration and expect MCY to recover as average inflows return. 2025 P/E: 2026P/E: 41.2	NZX Code: **MCY** Share Price: **$5.80** 12mth Target: **$6.96** Projected return (%) Capital gain 15.7% Dividend yield (Net) 4.2% Total return **18.5%** Rating: **OVERWEIGHT** 52-week price range: 5.50-7.15
	**MERIDIAN ENERGY** Research: 15th May MEL reported April operating statistics, with monthly EBITDA of c.$53.3m (Jarden est. $60m), up $27m on March but materially below the prior corresponding period ($76.8m). Hydro volumes improved from March but remain well below average, with dam levels still constrained. MEL is currently looking like it could struggle to meet Jarden's FY25 EBITDA estimate of $680m, while Contact is looking like it is currently on track to exceed their $740m forecast. 2025 P/E: 2026P/E: 23.1	NZX Code: **MEL** Share Price: **$5.80** 12mth Target: **$6.33** Projected return (%) Capital gain 15.7% Dividend yield (Net) 3.6% Total return **18.5%** Rating: **OVERWEIGHT** 52-week price range: 5.30-6.89
	**PORT OF TAURANGA** Research: 9th May POT's share price finished April (-7.2%) on a low having fallen on concerns about the impact of tariffs on the volume of exports going through the port as a result of US tariffs. It may also have been affected by concerns of delays in the potential sale of part of Quayside's POT shareholding as merger and acquisition activity stalls due to the current equity market uncertainty and volatility. Other news of note was the Northland Regional Council's vote to progress the POT led consortium's offer to buy the minority shareholding in Marsden Maritime Holdings. In addition, after many years of delays POT has lodged a fast-track application for its Stella Passage development. This development would see the Sulphur Point container berth extended by 385 metres, the Mount Maunganui wharves extended by 315 metres, land reclamation behind the wharf extensions and dredging of shipping lanes. 2025 P/E: 37.0 2026 P/E: 31.5	NZX Code: **POT** Share Price: **$6.26** 12mth Target: **$6.30** Projected return (%) Capital gain 0.6% Dividend yield (Net) 2.4% Total return **3.0%** Rating: **NEUTRAL** 52-week price range: 4.64-6.95
	**SANFORD** Research: 14th May It was a strong interim result for SAN, with favourable market dynamics and improved operating metrics delivering a +40% increase in adjusted EBIT. Export markets have remained robust, with average realised prices up for both Salmon and Mussels despite apparent mix shifts to lower price higher margin product. Encouragingly, having flagged a simplification of its distribution model, rationalising the number of distributors utilised, the company has realised meaningful gross margin gains, up +330bps y/y. Disappointingly, Wild Catch underlying EBIT appears soft in Jarden's opinion, which likely relates to continued issues with scampi fleet up time more than offsetting a strong toothfish season. However, limited disclosure around the impact of both the Moana deal and inventory clearance cloud performance of the division. In general, Jarden is encouraged by the operational improvements that appear to be emerging, with a greater focus on cost discipline as evidenced by lower capex and head office costs. 2025 P/E: 9.1 2026 P/E: 8.9	NZX Code: **SAN** Share Price: **$5.12** 12mth Target: **$5.35** Projected return (%) Capital gain 4.5% Dividend yield (Net) 2.0% Total return **6.5%** Rating: **NEUTRAL** 52-week price range: 3.70-5.55
	**SCALES CORPORATION** Research: 16th April SCL has taken another bite of Shelby lifting its ownership stake to 67.5% (from 60%), paying US$24.4m for the additional 7.5% share. The purchase price implies a c.10.0x forward EV EBITDA multiple, which compares to the c.6.5x paid in 2018 for the original 60% stake and is in line with the trading multiple of global pet food companies. The acquisition is to be fully debt funded by its US banking partners, with the company now in a small net debt position. The full earnings impact of the transaction will be backdated to 1 January 2025. The transaction should not be surprising with SCL having long signalled its intention to lift the ownership share of the various JVs. Shelby is a key source of earnings growth for SCL, having grown revenue at a c.+27% CAGR over the last five years and is a key pillar of the FY27 NZ$70m underlying EBITDA target for the Protein business (+8% CAGR). That growth is underpinned by a number of projects, including Shelby's new toll processing facility (commissioned 4Q24), in plant collection system (operational 4Q24), and a second in-plant collection system planned for FY26E commissioning. 2025 P/E: 13.6 2026 P/E: 11.4	NZX Code: **SCL** Share Price: **$4.06** 12mth Target: **$4.65** Projected return (%) Capital gain 14.5% Dividend yield (Net) 4.3% Total return **18.8%** Rating: **OVERWEIGHT** 52-week price range: 3.21-4.53

SERKO Research: 20th May

There were a lot of moving parts in SKO's FY25 result, with an acceleration in Booking.com for Business (B4B) activity, share wins in Australasia, the first quarter of GetThere, and the FCF positive milestone. SKO pre-GetThere revenue increased +20% y/y to $85m, with 2H25 up +23%. In Jarden's view, the strong momentum in B4B activity and the scale and efficiency gains which supported profitability were highlights. However, this was tempered by lower-than-expected FY26 revenue guidance of $115m to $123m (JARDe $121m) as GetThere gets off to a slow start. Jarden retains their Overweight rating with the company well positioned to drive meaningful growth.

2025 P/E: (71.3) 2026 P/E: (683.4)

NZX Code:	**SKO**
Share Price:	**$2.94**
12mth Target:	**$4.40**
Projected return (%)	
Capital gain	49.7%
Dividend yield (Net)	0.0%
Total return	**49.7%**

Rating: **OVERWEIGHT**

52-week price range: 2.75-4.07

SKELLERUP Research: 9th May

SKL's share price fall (-11.3% in April) reflects the impact of the Trump regimes tariffs. SKL earns 37% of its revenue from the US. Around 85% of the products sold in the US are manufactured outside the US, with two thirds of those products manufactured in China and Vietnam. Those two countries face substantial US tariffs. Management expects to offset a significant proportion of the cost increase through increased prices and cost reductions. We understand that many of SKL's competitors face similar cost increases through tariffs. Management do not expect the 2025 profit to be materially impacted by tariffs, with any impact likely to be positive due to additional products being sold into the US ahead of tariffs being implemented. Management reconfirmed FY25 net profit after tax guidance of $52-$56 million.

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

NZX Code:	**SKL**
Share Price:	**$4.35**
12mth Target:	**$5.30**
Projected return (%)	
Capital gain	21.8%
Dividend yield (Net)	4.6%
Total return	**26.4%**

Rating: **OVERWEIGHT**

52-week price range: 3.35-5.49

SKY CITY ENTERTAINMENT Research: 7th May

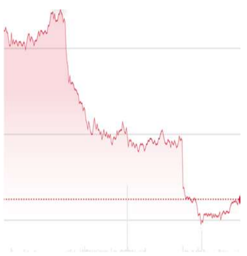
SKC provided a trading update, revising down its FY25 EBITDA to be c4% below the bottom of its prior guidance range ($225-245m, Jarden ingoing $224m). This represents a c8% downward revision to the midpoint. Despite earnings revisions (EPS -13%/-3% in FY25/26), Jarden's target price remains unchanged at $1.75 given earnings impact is contained to 2H25 and largely offset by valuation roll forward. They maintain their Overweight rating on valuation but acknowledge SKC is still battling through a difficult transition, with earnings under pressure from cyclical factors and stricter regulatory regimes.

2025 P/E: 13.6 2026 P/E: 13.7

NZX Code:	**SKC**
Share Price:	**$1.15**
12mth Target:	**$1.75**
Projected return (%)	
Capital gain	52.2%
Dividend yield (Net)	0.0%
Total return	**52.2%**

Rating: **OVERWEIGHT**

52-week price range: 0.98-1.84



SPARK Research: 20th May

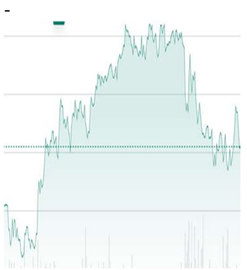
Execution of FY25 guidance; restoring confidence in capital management (even with a rebasing of dividend); and delivery on data centre execution while demand and interest in the sector remains strong are all catalysts in Jarden's view. It is important to recognise the importance of mobile in SPK's business mix and they view a strong focus on SPK's core telco businesses as critical for value support, with most interest outside that core in the data centre adjacency where SPK has a strong ingoing market position. Jarden would welcome more transparency from SPK on the earnings (not gross margin contribution) of non-core businesses including IT Services and High Tech (e.g. Qrios, Mattr). Key downside risks include competition, regulatory environment, investment and operating execution.

2025 P/E: 18.0 2026 P/E: 15.2

NZX Code:	**SPK**
Share Price:	**$2.25**
12mth Target:	**$2.80**
Projected return (%)	
Capital gain	24.4%
Dividend yield (Net)	11.4%
Total return	**35.8%**

Rating: **OVERWEIGHT**

52-week price range: 1.94-4.48



SUMMERSET GROUP HOLDINGS Research: 14th May

At its FY23 result, SUM outlined cash project profitability on its last 10 village projects to complete totalling $195.2m (now $230m including Casebrook). Against RYM's recent development losses and increased scrutiny on cash profit support for SUM's dividend, these are impressive numbers. We take a detailed look at these projects, differentiating between Jarden AFFO (including expensed interest in line with SUM) and cash flows from development at the individual villages. Jarden is able to reconcile SUM's cash profits in villages that have sold down and highlight progress against targets for recent completions using an approach to realisation of development profit once total costs have been covered (i.e. timed with last sale proceeds). The analysis highlights some longer post-completion sales timeframes and we also note acquisition of the first land for these projects spans well over 10 years ago.

2025 P/E: 78.5 2026 P/E: 61.2

NZX Code:	**SUM**
Share Price:	**$11.70**
12mth Target:	**$12.30**
Projected return (%)	
Capital gain	8.4%
Dividend yield (Net)	2.2%
Total return	**10.6%**

Rating: **NEUTRAL**

52-week price range: 9.15-13.44

TOURISM HOLDINGS Research: 22nd April

THL has provided a trading update, reflecting a further deterioration in vehicle sales and forward bookings in the US. While not providing specific guidance given the level of uncertainty, THL noted that it believes underlying NPAT will be "significantly below" current consensus of $45.2m. Jarden notes that THL delivered $26.5m NPAT in 1H25, suggesting a material HoH decline in earnings. Their updated forecast for underlying FY25 NPAT of $33.7m (from $49.6m) implying 1H24-2H25E momentum of $39.7m $12.1m $26.5m $7.2m, clearly highlighting the softening trajectory.

2025 P/E: 10.4 2026 P/E: 9.1

NZX Code:	**THL**
Share Price:	**$1.43**
12mth Target:	↓ **$3.00**
Projected return (%)	
Capital gain	109.8%
Dividend yield (Net)	4.2%
Total return	**114.0%**

Rating: **OVERWEIGHT**

52-week price range: 1.56-3.01

JARDEN'S NEW ZEALAND EQUITIES WATCH LIST

AS AT 19TH MAY 2025

NEW ZEALAND EQUITY WATCH LIST as at 19-May-2025		Jarden Rating	19-May Price	Monthly % Change	Annual % Change	12-month Target Price
AIA	Auckland International Airport	N	8.00	0.38%	8.05%	7.75
ATM	A2 Milk Company	O	9.14	5.06%	28.66%	7.75
CEN	Contact Energy	B	9.11	-0.33%	6.56%	11.11
CHI	Channel Infrastructure	O	2.04	6.25%	42.56%	1.99
CNU	Chorus	U	8.21	2.62%	19.62%	8.17
EBO	Ebos Group	O	39.52	7.86%	16.32%	41.50
FBU	Fletcher Building	B	3.37	4.33%	20.32%	4.30
FPH	Fisher & Paykel Healthcare	N	37.06	10.23%	29.45%	33.20
FRW	Freightways	U	10.75	5.91%	36.24%	10.39
HGH	Heartland Group	O	0.86	14.67%	-5.90%	1.15
IFT	Infratil	B	11.59	11.44%	10.45%	13.00
MCY	Mercury	O	6.09	5.36%	-3.25%	6.98
MEL	Meridian Energy	O	5.67	-1.22%	-4.32%	6.33
MFT	Mainfreight	O	67.64	15.82%	2.63%	71.00
NZX	NZX	O	1.52	4.11%	42.89%	1.80
OCA	Oceania Healthcare	N	0.65	6.56%	14.04%	0.77
POT	Port of Tauranga	N	6.60	7.14%	41.15%	6.30
RYM	Ryman Healthcare	N	2.45	-2.39%	-35.59%	3.24
SCL	Scales Corporation	O	4.38	6.31%	44.14%	4.65
SKC	Sky City Entertainment Group	O	1.02	-9.73%	-38.55%	1.75
SKL	Skellerup	O	4.75	15.85%	28.84%	5.30
SPK	Spark	O	2.21	7.28%	-37.74%	2.80
SUM	Summerset Group Holdings	N	11.42	0.62%	16.16%	12.30
THL	Tourism Holdings	O	1.43	-11.18%	-18.98%	3.00
SUM	Vector	O	4.19	2.20%	19.51%	4.52

JARDEN'S AUSTRALIAN WATCH LIST

AS AT 19TH MAY 2025

AUSTRALIAN EQUITY WATCH LIST as at 19-May-2025		Jarden Rating	19-May Price (A$)	Monthly % Change	Annual % Change	Target Price (A$)
ALL.AU	Aristocrat Leisure	O	62.86	1.32%	39.35%	64.00
ALQ.AU	ALS	N	17.87	19.29%	32.37%	14.50
ANZ.AU	ANZ Banking Group	O	28.90	6.52%	8.04%	30.00
BHP.AU	BHP Billiton*	N	39.72	10.12%	-6.42%	42.64
CBA.AU	Commonwealth Bank of Australia	N	169.66	6.49%	43.32%	110.00
CSL.AU	CSL	O	241.82	-0.03%	-14.43%	317.61
CWY.AU	Cleanaway Waste Management	O	2.70	5.06%	-0.19%	3.10
IGO.AU	IGO	N	4.30	26.47%	-41.85%	5.34
JHX.AU	James Hardie Industries	N	38.40	12.35%	-31.93%	44.00
MQG.AU	Macquarie Group*	O	211.25	17.54%	10.50%	200.00
NAB.AU	National Australia Bank	N	37.01	11.05%	12.04%	29.00
NXT.AU	NEXTDC*	O	13.65	24.89%	-23.87%	19.46
QBE.AU	QBE Insurance Group	B	22.51	5.38%	32.15%	24.60
RHC.AU	Ramsay Health Care	B	36.09	10.40%	-27.62%	44.44
RIO.AU	Rio Tinto*	N	121.05	11.70%	-1.85%	128.87
RMD.AU	Resmed	O	38.99	18.27%	18.85%	40.54
S32.AU	South32*	N	2.96	10.86%	-18.75%	3.62
SEK.AU	Seek	B	22.58	8.82%	0.23%	27.50
TCL.AU	Transurban Group	N	14.13	1.73%	18.91%	13.60
TLS.AU	Telstra Group	B	4.53	2.49%	28.52%	4.45
WDS.AU	Woodside Energy	O	21.92	13.46%	-15.27%	24.00
WES.AU	Wesfarmers	N	82.56	11.12%	21.76%	67.50
WOR.AU	Worley*	O	13.00	12.55%	-10.09%	18.05
WOW.AU	Woolworths	O	31.95	2.31%	4.51%	36.30
XRO.AU	Xero	O	180.02	16.57%	41.15%	190.00

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

JARDEN'S GLOBAL EQUITY WATCH LIST

AS AT 16TH MAY 2025

GLOBAL EQUITY WATCH LIST as at 16-May-2025		16-May-25 Price	Monthly % Change	Annual % Change	12-month Target
700.HK	Tencent Holdings	508.00	13.39%	27.96%	613.20
AAPL.US	Apple	211.26	8.75%	11.28%	231.55
AMZN.US	Amazon	205.59	17.93%	11.96%	240.54
APH.US	Amphenol	86.88	34.14%	31.93%	86.27
APO.US	Apollo Global Management	143.84	14.88%	27.60%	157.63
ASML.NA	ASML	668.40	16.45%	-22.20%	776.88
AXP.US	American Express	299.72	18.50%	24.20%	288.94
BRK/B.US	Berkshire Hathaway	514.31	-0.41%	24.49%	544.00
CBOE.US	CBOE	220.95	1.37%	21.67%	228.14
COP.US	ConocoPhillips	92.43	7.03%	-22.87%	117.43
GOOGL.US	Alphabet	166.19	8.39%	-4.59%	200.43
IBE.EU	Iberdrola	15.77	2.60%	33.61%	15.27
JPM.US	JPMorgan	267.56	16.53%	32.15%	262.96
LLY.US	Eli Lilly	757.39	3.06%	-1.78%	983.24
LULU.US	Lululemon	321.44	28.90%	-4.98%	330.18
MA.US	MasterCard	583.28	13.60%	27.11%	616.38
MC.FR	LVMH	503.90	3.85%	-35.89%	620.16
MSFT.US	Microsoft	454.27	22.24%	7.91%	503.52
NVDA.US	NVIDIA	135.40	29.58%	43.49%	163.81
OR.FR	L'oreal	373.85	9.44%	-17.56%	382.88
ORCL.US	Oracle	160.49	23.68%	31.38%	181.29
SU.FP	Schneider Electric	219.15	6.46%	-5.88%	256.61
TSLA.US	Tesla	349.98	44.89%	100.17%	283.81
UNH.US	United Health	291.91	-50.10%	-44.00%	434.04
WMT.US	Walmart	98.24	7.73%	53.48%	108.06

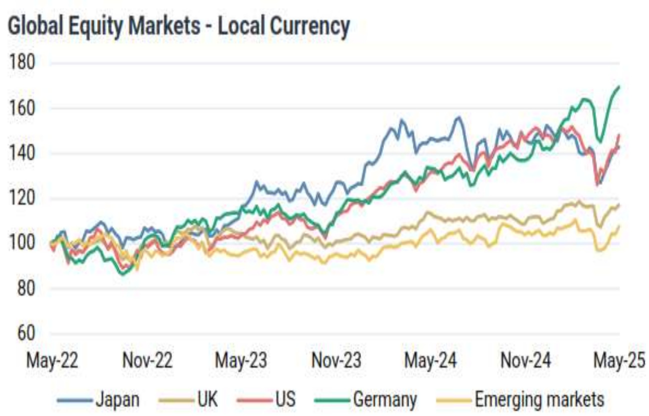
Source: Thomson Reuters, Jarden. Target Prices reflect consensus

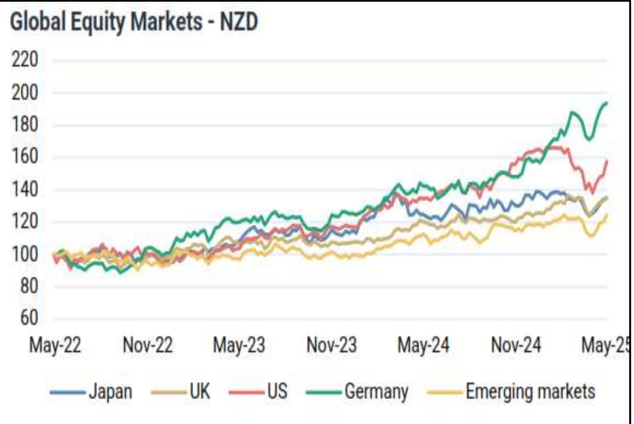
JARDEN'S INVESTMENT TRUST WATCH LIST

AS AT 16TH MAY 2025

Ticker	INVESTMENT TRUST WATCH LIST as at 16-May-2025	Price £	Annual % Change
ATR	Schroder Asian Total Return	4.68	2.41%
BGFD	Baillie Gifford Japan Trust	7.59	2.85%
BNKR	Bankers Inv. Trust	1.17	0.17%
BRWM	Blackrock World Mining	4.81	-22.92%
CTY	City of London Investment Trust	4.75	11.37%
IAD	Asia Dragon Trust	3.43	3.63%
ESCT	Euro Small Comp. Trust	1.95	4.72%
FCIT	F&C Investment Trust	11.10	5.92%
GSCT	Global Smaller Companies Trust	1.58	-5.39%
HVPE	HarbourVest Global Private Eq.	25.00	8.46%
JAM	JPM American	10.10	2.23%
JEDT	JPMorgan Eur Discovery Trust	5.38	11.04%

Ticker		Price £	Annual % Change
JEGI	JPM European Inv. Trust	1.18	7.76%
JFJ	JPMorgan Japanese	6.14	18.30%
JGGI	JPM Global Growth	5.52	-2.82%
MIDW	Mid Wynd International	7.58	-3.81%
MNKS	Monks ITC	12.54	5.03%
NAIT	Nth American Inc. Trust	3.21	9.56%
PCT	Polar Cap Tech	3.31	7.65%
RCP	RIT Cap Partners	19.04	-0.83%
SDP	Schroder Asia Pacific	5.42	2.07%
SMT	Scottish Mortgage Trust	10.11	12.96%
TEM	Templeton Emerg.	1.75	5.92%
WWH	Worldwide Health	2.86	-18.40%

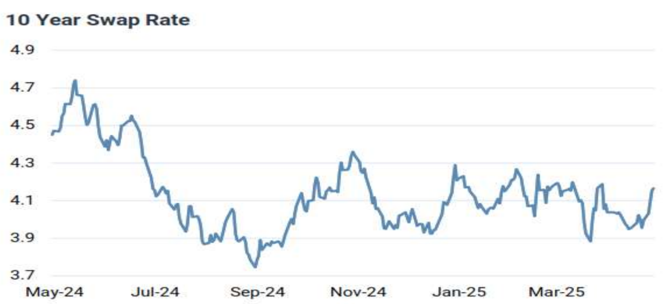




JARDEN'S FIXED INTEREST BONDS

AS AT 19TH MAY 2025

Ticker	SECURITY	Credit Rating	Coupon Rate	Yield	Monthly Change	Maturity
AIA240	Auckland Airport	A-	3.29%	3.67	-0.04	17-Nov-26
TRP100	Transpower NZ	AA	4.63%	3.67	-0.17	16-Sept-27
CNU030	Chorus Limited	BBB	1.98%	4.13	0.06	2-Dec-27
IFT310	Infratil	Not rated	3.60%	5.93	0.25	15-Dec-27
ANB180	ANZ Bank New Zealand	AA-	5.22%	4.00	-0.16	16-Feb-28
FBI220	Fletcher Building Industries	Not rated	6.50%	6.80	-0.47	15-Mar-28
KPG050	Kiwi Property Group	BBB+	2.85%	4.38	0.12	19-Jul-28
SBS020	Southland Building Society	BBB+	6.14%	4.82	-0.26	7-Mar-29
FCG060	Fonterra Co-Operative	A-	4.60%	4.28	-0.19	8-Nov-29
SUM050	Summerset Group Holdings	Not rated	6.43%	5.42	-0.08	8-Mar-30
MEL070	Meridian Energy	BBB+	5.40%	4.50	-0.07	23-Mar-30
LGF170	NZ Local Govt Funding Agency	AAA	4.50%	4.15	0.15	15-May-30
LGF140	NZ Local Govt Funding Agency	AAA	2.25%	4.41	0.24	15-May-31
SPF600	Spark Finance	A-	5.45%	4.75	-0.69	18-Sept-31
HYBRID	**SECURITY**	**Credit Rating**	**Coupon Rate**	**Price/ Yield**	**Monthly Change**	**Reset**
ANB170	ANZ Bank Subordinated Notes	A	3.00%	98.03	0.42	17-Sept-26
IFTHA	Infratil Perpetual Infrastructure Bond	Not rated	5.51%	63.44	-0.05	1-yr swap rate
KWB1T2	Kiwibank Subordinated Notes	BBB	2.36%	101.20	-0.06	12-May-28
VCT110	Vector Perpetual Capital Bonds	BB+	6.40%	101.39	-0.29	15-Jun-27
WNZHA	Westpac Perpetual Preference Shares	BBB+	7.10%	103.49	-0.60	-



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