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Andrew von Dadelszen

ECONOMIC, POLITICAL & INVESTMENT PULSE

July 2025

HOW THE WORLD CHANGED IN A WEEK

We might not like Trump, but his decisiveness in bombing Iran's nuclear facilities was outstanding. It will be a "game changer" for the Middle East.

The NATO meeting unified European leaders, and gave hope for restraining Putin's aggresion.

WHY 2025 BUDGET IS SO WELCOME

A lot of people are talking about how small this Budget seems — with only $1.3 billion in new spending, it's the smallest in decades. But that misses the bigger picture. When you add up all the actual decisions, like changes to tax credits and more money for learning support, the government is really spending about $6.7 billion a year. That's a huge amount — possibly even more than what Labour spent in some of their recent budgets.

What's different this time is where the money is coming from. About $4.8 billion was found by cutting spending in other areas and redirecting it. Around $600 million is from new fees or charges, and only $1.3 billion is borrowed. That's a big change from Labour, which borrowed more to pay for new spending.

Personally, I much prefer paying for priorities by cutting wasteful spending rather than by borrowing money.

VERSUS

NZ50 INDEX (5yr)

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STATISTICS NZ DATA

Estimated NZ population as at 28-June-25 — **5,336,704**
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 Mar-25 year (**Qtly Mar-25: 0.8%**) **-1.1%**
Annual GDP Per Capita Mar-25 Quarter **0.5%**

Size of Māori Economy 2024 (2013: $43bn 2020: $69bn) **$126 bn**
Size of NZ Economy (NZ GDP) Dec-24 year **$421 bn**

NZ Core tax Revenue 2024 year Treasury Data **$120.6 bn**
NZ Core Crown Revenue 2024 year Treasury Data **$120.6 bn**
NZ Core Crown Expenses 2024 year Treasury Data **$120.6 bn**
NZ Core Govt Debt 2024 year Treasury Data **$175.5 bn**
NZ Core Govt Debt/GDP 2024 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 Apr-25 year **4.4%**
Household Cost of Living Dec-24 qutr ↓ **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) Dec-24 ↑ **409,665**
(11.6% of working-age population as at 31-Mar-24)
Jobseeker Support numbers Dec-24 ↑ **213,321**

"The future belongs to those who believe in the beauty of their dreams"
Eleanor Roosevelt

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.

WHANGANUI HOLDS RATES TO A 2.2% INCREASE

SOURCE: Radio NZ, 11-June-2025

Whanganui District Council is sticking to an average rates increase of 2.2% percent following deliberations on its draft Annual Plan. Mayor Andrew Tripe believes it's the lowest rise in the country for the year ahead.

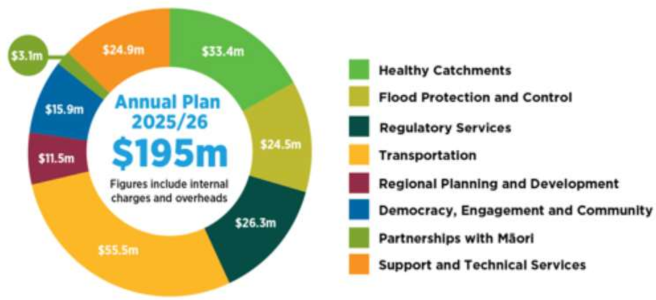
Tripe said the council has focused on doing the basics well, investing in core infrastructure, and involving the community in decision-making.

If Whanganui can do it, so could other councils. It just requires focusing on the basics.

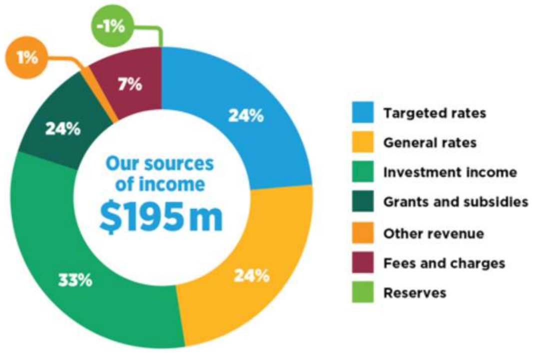
BOP REGIONAL COUNCIL HOLDS RATES TO 3%

Bay of Plenty Regional Council (of which I am a current elected representative) has just struck our 2025/26 year rate rise to just 3% (which includes inflation). The Targeted Rate will go down 2.2% this coming year. Tauranga's Targeted Rate (Public Transport) will be held at a zero % rise. I still maintain that we could have done even better, but it is a great start.

BOPRC 2025/26 ANNUAL PLAN EXPENDITURE



BOPRC 2025/26 ANNUAL PLAN INCOME



LUXON OPEN TO SCRAPPING REGIONAL COUNCILS

Prime Minister Christopher Luxon stated that he wants to explore the possibility of scrapping New Zealand's regional councils as the Government reforms the Resource Management Act.

NZ First Minister Shane Jones told a local government forum last week his Party does not see a compelling case for maintaining regional government.

Speaking to Newstalk ZB from Belgium before the Nato leaders' summit in The Hague, Luxon was asked whether he supported disestablishing regional councils.

"I have a personal view that I think that's something that we can explore as part of that Resource Management Act legislation that Chris Bishop is driving through," Luxon responded.

Luxon said Bishop, as Minister for RMA Reform, would bring a bill before the House before the end of the year but also said he believed there were too many layers of government.

UNITARY COUNCILS COULD WELL BE THE ANSWER

My personal view is that we do have too many Local Government councils, and I have long supporter the concept of a Western Bay Unitary Council. This would include both the constituencies of Tauranga City Council and Western Bay of Plenty District Council combining to include the Regional Council roles into one Unitary Council.

I would further support the geothermal areas of Rotorua, Taupo and Kawerau combining into a second unitary within the Bay of Plenty, and the current Gisborne Unitary Council extending to include the Eastern Bay councils of Whakatane and Opotiki (being the 3rd Unitary Council across the Bay.

This would see the current 9 local government entities into just 3. Makes sense to me, without the risk of losing local community input.

"All it takes is one good person to restore hope"

Pope Francis (1936-2025)

TAXPAYERS' UNION / CURIA June-25 POLL				
Party	Vote	Change*	Seats	Change**
National	33.5%	(1.1%)	42	(7)
ACT	9.1%	(0.4%)	12	1
NZ First	6.1%	(1.3%)	8	nc
Labour	34.8%	1.6%	44	10
Green	8.2%	(0.9%)	10	(5)
Māori	3.3%	(0.6%)	6	nc
Other	5.0%	2.7%	-	nc

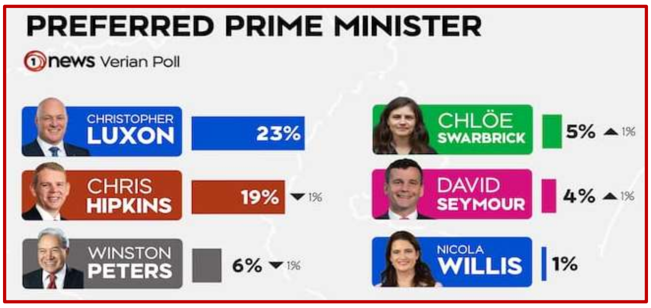
* Change from May-25 ** Change since election

Polling Period: 7th to 9th June 2025

ONE NEWS/VERIAN POLL - June 2025				
Party	Vote	Change*	Seats	Change**
National	34%	(2%)	43	(6)
Act	8%	(1%)	10	nc
NZ First	8%	1%	10	2
Labour	29%	(3.0%)	37	3
Green	12%	2.0%	15	0
Maori	4%	1%	6	nc
Other	2%	(1%)	-	-

* Change from April 2025 ** Change since election

Polling Period: 24th May to 28th May 2025



GOLDSMITH: "THE CROWN REMAINS SOVEREIGN"

Minister Goldsmith rightly said recently that the Government would not agree to any further Treaty settlements that disputed whether the Crown is now sovereign.

Under the previous Labour Government, an initial deed of settlement with Te Whānau-ā-Apanui was drawn up which included the first case of a clause agreeing to disagree on who holds sovereignty. Goldsmith said the coalition Government was uncomfortable with the clause and was not prepared to progress the settlement without it being removed.

PUBLIC SERVICE EXPLOSION UNDER LABOUR

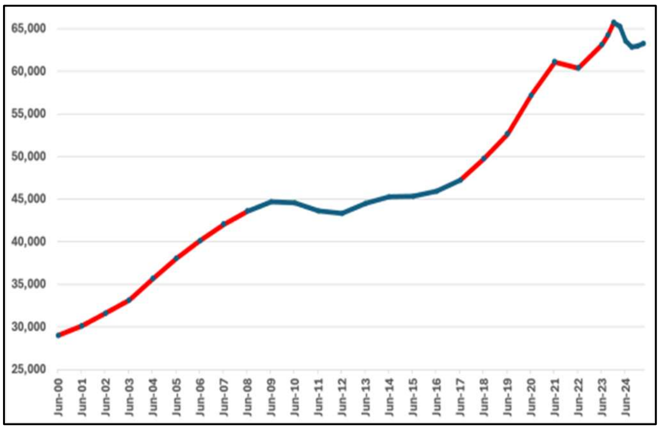
Source: Kiwiblog, 16-June-2025

The PSA suggests that the government has significantly reduced the number of public servants, claiming that even minor staff cuts are opposed by the union. They argue that fewer public employees mean less membership revenue for the PSA.

The media has contributed to this perception by extensively covering every small restructuring, creating the impression that the public service has been cut by a quarter. A May poll by Curia asked how many public servants there are now, stating there were 65,000 at the start of the government. Most people guessed around 50,000. The actual number is about 63,000. This is a example of misinformation.

A chart shows that Labour governments tend to increase public servant numbers. They are not particularly effective at improving health or education outcomes but are good at hiring more staff. The Clark government increased the number of full-time equivalent (FTE) staff by 15,650, a 54% rise.

PUBLIC SERVICE ETEs



The Key and English governments managed to keep growth modest, with an increase of 2,500 FTEs, or 16%, which is less than population growth. During six years under Ardern and Hipkins, the number of FTEs grew by 18,500, a 39% increase.

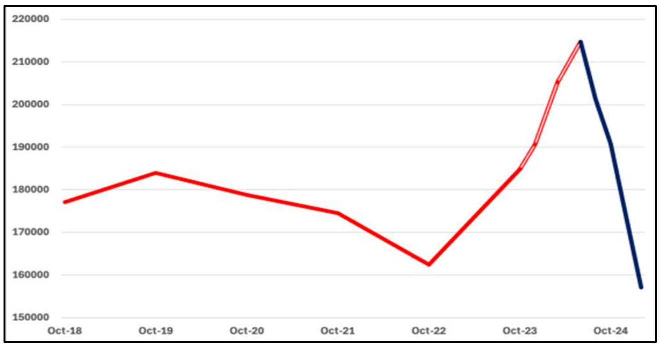
The current Luxon government has actually reduced the size of the public service. While the Key/English governments kept it steady for a while, this government has decreased it by about 2,500, a 4% reduction. Despite the fuss, this is a small change. As a result, the size of the public service in March 2025 is roughly the same as it was in June 2023, just three months before the election.

TARGETS ACHIEVED

SOURCE: Kiwiblog, 23-June-2025

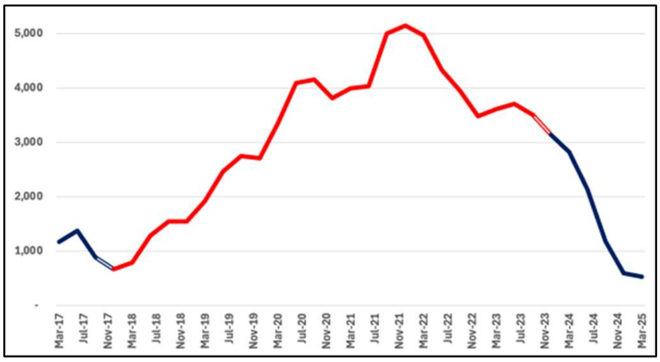
The National Coalition Government set a target of reducing **the number of victims of violent crime** from 185,000 to 165,000 by 2030. Fantastically, They have already achieved this.

TARGET 1 - VIOLENT CRIME VICTIMS



Labour's huge blowout in the numbers of households in emergency housing (motels) from 1,000 to over 5,000, falling back to around 3,000 at the change of government.

TARGET 2 – EMERGENCY HOUSING

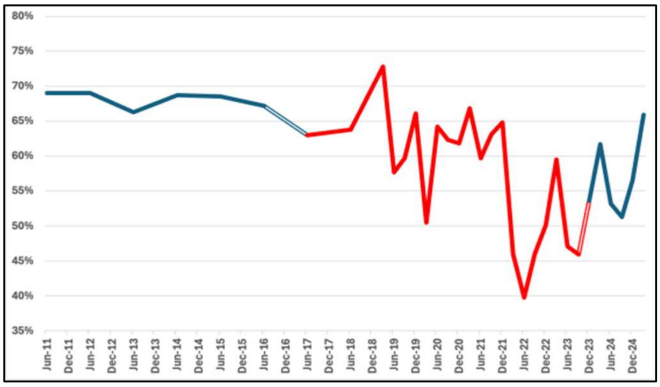


The government set a target to reduce this by 75% to 800 by 2023. It is 2025 and they have achieved that, with only 528 families left in emergency housing.

GREAT PROGRESS ON SCHOOL ATTENDANCE

The latest attendance data shows the National Coalition Government has reversed the disastrous trend under Labour of plummeting school attendance. Regular attendance is up from 40% to 66%. There is still a long way to go to reach the 80% target, but the signs are positive.

SCHOOL STUDENT ATTENDANCE



In terms of actual students, there are 185,000 more students attending school regularly than three years ago.

The area of most concern is those not even attending 70% of the time. Over the previous three years this has dropped from 14% to 6%, or from 103,000 to 51,000.

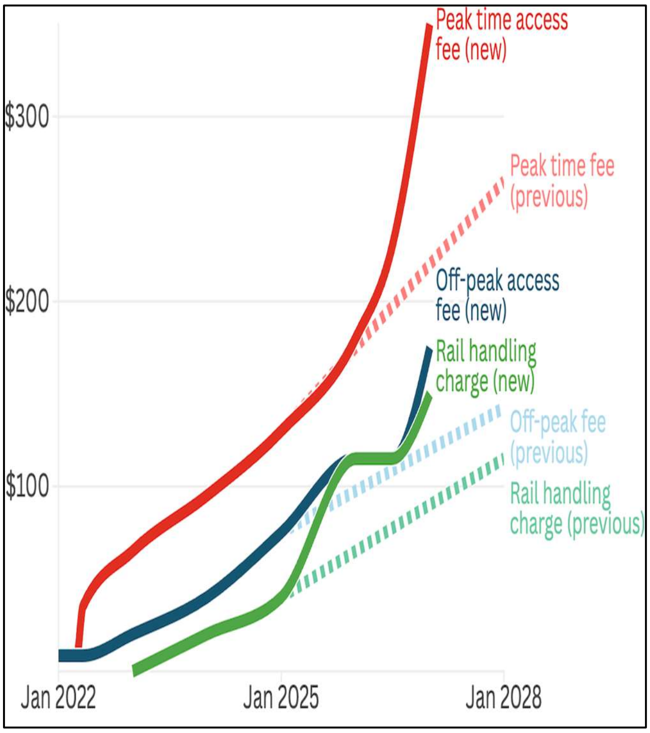
PORT OF AUCKLAND RAISES FEES - TAURANGA TO FOLLOW

Port of Auckland is doubling or tripling some charges to meet a $100m impact demanded by the Mayor. Tauranga port is expected to follow. Costs, especially compliance and regulation, are rising faster than inflation, says spokesperson Rochelle Lockley. Economist Cameron Bagrie notes domestic inflation is still high, and criticizes non-competitive industries like ports, power, gas, and insurance for price hikes. He is urging the Commerce Commission to scrutinize port price increases, as *"limited port entry reduces competition*," he said.

Most imports come through Auckland, exports through Tauranga, creating regional monopolies. The OECD highlighted Auckland port's poor performance due to automation issues, emphasizing the need for efficient management and good governance.

Port CEO Roger Gray says they must stop subsidizing rail, increase truck pricing, and deliver profits to Auckland Council. Port fees are rising sharply: peak access fees from $95 to $230 in 2024, and further to $350 in 2027, with off-peak fees also increasing significantly. The port introduced a $20 rail handling fee in 2024, doubling to $115 in 2025, and rising to $150 in 2027.

PORT OF AUCKLAND RAISES ACCESS FEES FOR TRUCKS AND TRAINS

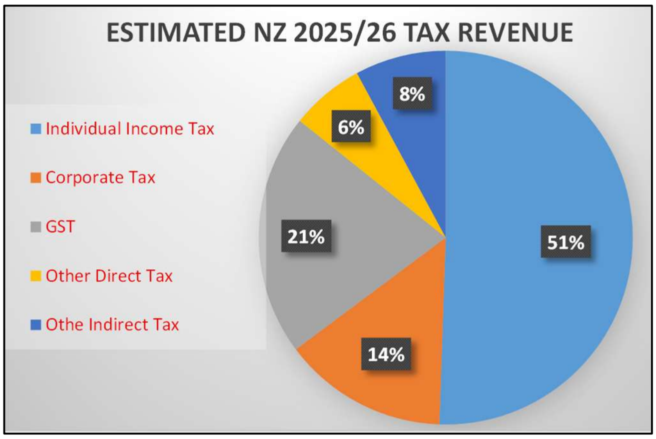


SOURCE: Port of Auckland

WHY WE NEED TO REVIEW NZ'S TAX STRUCTURE

Last month I advocated for a change to New Zealand's taxation structure. Too many (Charities, Churches & Iwi organisations in particular) are paying little or no taxation – and individuals are paying the cost. Individuals directly pay 50.5% of all taxation revenue the government receives – and on top of that these same people pay another 21% in GST taxation. That's a huge burden on individuals.

If everyone paid their fair share then tax rates for iall taxpayers would be considerably lower.



It is time that everyone targeted our Revenue Minister (Hon Simon Watts) to find a fair taxation distribution system. This is long overdue.

NZ TAX REVENUE	%	Revenue ($ Bn)
Individual Income Tax	50.5%	60.3
Corporate Tax	14.2%	17
GST	21.0%	25
Other Direct Tax	6.4%	7.6
Othe Indirect Tax	7.9%	9.4
		119.3

THE MAORI ECONOMY 2023

Source: MBIE, The Māori Economy 2023

The Māori economy is transforming, moving beyond agriculture, forestry, and fishing. The Māori economic contribution to the New Zealand economy has grown from $17 billion (6.5% of GDP) in 2018 to $32 billion (8.9% of GDP) in 2023. While agriculture, forestry, and fishing were the primary contributors in 2018, administrative, support, and other services ($4.2 billion),and professional services ($5.1 billion) now lead the way.

The Māori asset base has grown from $69 billion in 2018 to $126 billion in 2023, representing an 83% increase. This is made up of $66 billion in assets for Māori businesses and employers, $41 billion in assets for Māori Trusts, Incorporations, and other Māori entities (Māori collectives), and $19 billion in assets for self-employed Māori.

Entrepreneurship has continued with a solid growth trajectory, although it still lags behind the national average Māori entrepreneurship experienced dramatic growth again between 2018 and 2023. The number of self-employed Māori surged by 49%, while the number of Māori employers increased by 31%.

Despite this significant progress, Māori remain underrepresented in these roles compared to the wider New Zealand population.

For the first time since 2006, Māori workers now hold more high-skilled jobs than low-skilled jobs. Māori representation in the workforce is growing, with the younger generation entering the workforce.

Additionally, there has been a positive shift in the skill levels of Māori workers, with 46% now in high skilled jobs, 14% in skilled jobs, and 40% in low-skilled jobs. In 2018, 37% of Māori were in high-skilled jobs and 51% in low-skilled jobs.

For Māori households economic disparity persists, despite recent positive trends. Home ownership rates continue to be lower among Māori, with only 52% of Māori households owning their homes, compared to 67% of non-Māori households. Additionally, government grants and social benefits constitute a larger portion of Māori household income, accounting for 33% of the total, while this figure is only nine percent for non-Māori households. Notably, this is the first time since 2006 that government assistance for Māori households has not increased.

Māori Population

• The Māori population experienced substantial growth between 2018 and 2023, increasing by 14% percent from 775,800 to 887,500. This growth rate significantly outpaced the five percent increase observed in the non-Māori population during the same period.

Māori Workforce

• The total number of Māori employed (including employers, employees, self-employed, and unpaid workers) totalled 390,700 in 2023, up 19% from 329,200 in 2018.

• More Māori were now employed in high-skilled jobs compared to those in low-skilled jobs.

Māori Asset Base

• In 2023, the asset base within Te Ōhanga Māori was valued at $126 billion, following an 83% increase from $69 billion in 2018.

• While agriculture, forestry, and fishing remain significant the Māori asset base is diversifying, with real estate and property services experiencing substantial growth, increasing by 58% from $16.7 billion in 2018 to $26.3 billion in 2023.

Māori Value Add (GDP)

• Value added (production GDP) from Te Ōhanga Māori totalled $32 billion in 2023, up from $17 billion in 2018.

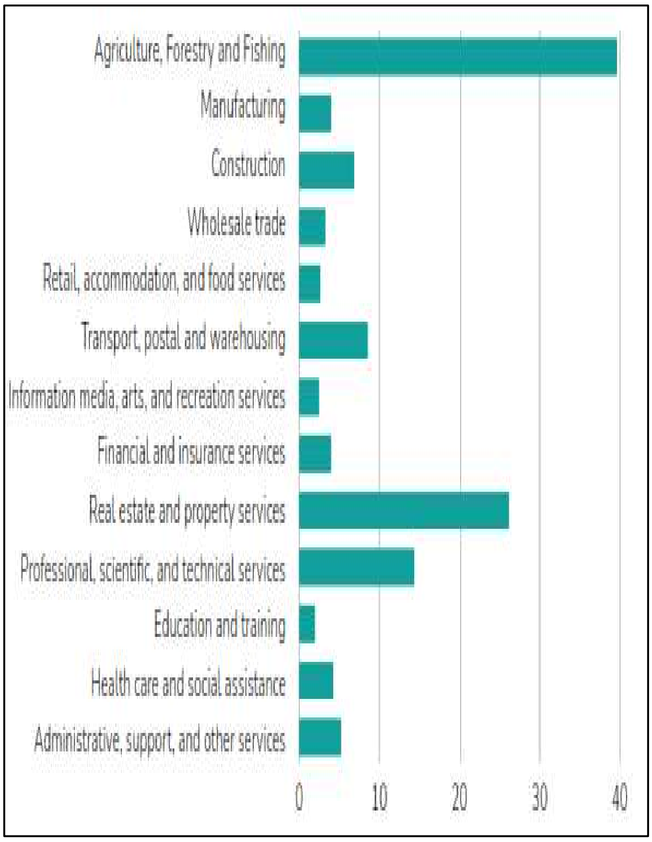
• The three largest sectors were professional, scientific, and technical services at $5.1 billion; administrative, support, and other services at $4.2 billion; and real estate and property services at $4.1 billion.

Māori-Owned Businesses

• In 2023, there were nearly 24,000 Māori-owned businesses in Aotearoa New Zealand, an increase from 19,200 in 2018.

• The largest number of businesses, 5,934, was located in Tāmaki Makaurau followed closely by Waitaha with 4,215 Māori-owned businesses.

MĀORI ASSET BASE BY INDUSTRY, 2023 ($BN)



SOURCE: Berl analysis

WELLBEING PROVISIONS STRIPPED

Wellbeing requirements added to the Public Finance Act by the previous Labour government will be removed by the coalition Government, with amendments introduced to Parliament under urgency on Budget Day.

The changes, which had their first reading late on Saturday and have been referred to a select committee for a standard process, would end the consideration of non-monetary factors such as loneliness, mental health or housing quality when governments craft their budgets.

"*The purpose of building a stronger economy and delivering better public services is to improve the long-term social, economic, environmental and cultural wellbeing of people*," Finance Minister Nicola Willis said.

THE CRIPPLING WELLINGTON BUSINESS RATES

SOURCE: NZ Herald, 11-June-25

Newly released figures show Wellington's average commercial rates bill is $47,881. That compares to $20,716 in Auckland, $18,059 in Christchurch, $24,768 in Hamilton, and $25,670 in Tauranga. That's almost two and a half times that of Auckland and Christchurch.

Wellington Chamber's analysis shows Wellington businesses are paying about 48% of the city's rates burden, compared with Auckland and Canterbury where that number is closer to 30%. No wonder so many businesses are closing in Wellington, with the joint burden of fewer carparks and massive rates.

On average, Auckland council rates for commercial land use are 0.72% of the building's Capital Value. In Wellington, this is 1.5% for both city and regional council rates. Those 20% rates increases add up, plus the *massive business:residential differential.*

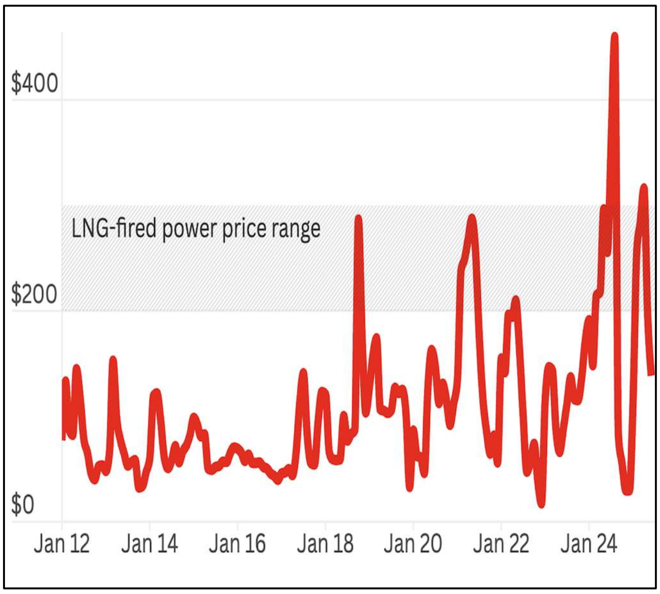
In 2023, Wellington City Council officers agreed the city's commercial rates differential was too high, recommending it be brought down from 3.7:1 to 3.25:1. That proposal was voted down by councillors.

INDUSTRY FINDS NATURAL GAS TERMINAL TOO COSTLY, SEEKS ALTERNATIVES

SOURCE: Newroom.pro, 13-June-2025

An influx of foreign liquefied natural gas is looking less likely, after a report commissioned by the gas and power industries found the costs of an import terminal would be prohibitive. The much-hyped solution to NZ's gas supply woes was first raised by industry during the spike in wholesale power prices last year, before the Govt offered its enthusiastic support. Then-energy minister Simeon Brown promised to legislate a consent for an import facility.

MONTHLY WHOLESALE POWER PRICE ($/MWh)



Meridian Energy, which last year championed LNG imports, now says a large-scale facility is no longer on the cards. "It looked like the costs were actually a lot higher than what we thought initially and so the smaller model is now being reviewed and looked at" says incoming chief executive Mike Roan.

The only scenario where a floating storage and regasification unit might be built was with Government support, he says, noting that the Govt has commissioned a wide-ranging review of the electricity sector.

CONSTRUCTION SECTOR STILL IN TROUBLE

New Zealand’s construction industry is struggling - it’s seen a big jump in companies going out of business (According to credit bureau Centrix, 730 construction companies were liquidated in the past year – nearly 50% up on the previous year), and builders are asking the government for help. They want less red tape, more government-funded projects (like schools and hospitals), and faster approval processes for building.

Finance Minister Nicola Willis told builders that the government understands their pain and is working on solutions. These include cutting unnecessary regulations, changing procurement rules to favour local companies, and offering tax breaks (like a 20% deduction on new investments).

There’s hope that lower interest rates and high agricultural prices will encourage more building, especially in rural areas. Some local councils, like Waimakariri, are starting to release land for new homes, which is a good sign.

However, loosening rules comes with risks — like more leaky buildings if oversight is too relaxed. The government says changes will be done carefully.

One key change is a new rule that will require government projects over $9 million to consider the economic benefit of choosing a New Zealand company. For smaller projects, local companies will be favoured if they’re capable of doing the job.

Also, the rules around earthquake safety upgrades are being simplified, which should make it easier for property owners to fix or rebuild risky buildings. The new tax break is already motivating some projects to get started.

In short, the government is trying to boost construction by cutting red tape, supporting local firms, and offering financial incentives — but it’s a careful balancing act between speeding things up and maintaining safety and quality.

GOVT CUTS MĀORI RESEARCH PROJECTS THAT DON’T FIT WITH ‘GROWTH AGENDA’

A $5m boost to a new Māori research fund has been outweighed by the Government siphoning $31m from elsewhere in the sector, pulling the rug from under three projects already years in the making.

Science Minister Shane Reti's hails his new fund as contributing to the country’s performance, but it's paid for by removing existing funding from work Reti says doesn’t fit with his Govt’s “growth agenda”.

The three scrapped Māori-led initiatives were funded by an offshoot of what was called Te Pūnaha Hihiko Vision Mātauranga Capability Fund. Their contracts were due to begin this month. But instead of receiving the $31m in expected funding at the start of the month, the project leaders were told their applications would not be progressed, as their work didn’t align with the coalition Government’s vision for the science sector.

WHEN IDENTITY PICKS WINNERS AND TAXPAYERS PICK UP THE BILL - A GUEST POST BY ZORAN RAKOVIC

SOURCE: Kiwiblog, 15-June-2025

While Māori business success is worth celebrating, the Crown’s quiet offloading of Treaty obligations onto non-Māori citizens is tilting the market—and it’s time we talked about it.

Māori businesses, by their identity, naturally meet certain Crown obligations, but non-Māori businesses often need to hire consultants and advisors to comply. This shift risks turning what was once a moral commitment into a financial and bureaucratic burden for others.

In public procurement, many government tenders now require commitments to Te Tiriti principles or engagement with Māori stakeholders. These requirements are straightforward for Māori-owned businesses but costly and sometimes superficial for others, leading to a compliance-driven focus rather than meaningful action.

This dynamic affects capital investment, as investors are drawn to businesses that easily navigate these regulatory and funding requirements. Māori businesses may benefit from this, not because of any advantage, but because they align with these expectations more easily. The Crown, rather than shouldering these costs, is pushing them onto others.

While there is moral appeal in supporting Māori businesses after years of exclusion, this policy could create resentment if the cost of redress is borne by businesses that weren't responsible for the harm. Many in the SME sector feel they’re at a disadvantage due to policies favouring cultural alignment over merit. The goal is fairness, not sameness.

The government's rhetoric about Māori as "*natural entrepreneurs*" and "*guardians of economic potential*" implies they deserve special treatment. However, this leaves out other businesses, like dairy farmers or immigrant-owned cafés, which don't benefit from these policies. They too are part of New Zealand's economy but feel excluded from the national economic conversation.

The solution is to ensure that past injustices are addressed without creating new injustices. The Crown should meet its Treaty obligations directly, without pushing the responsibility onto private businesses. Investment in Māori success should come through transparent government channels, not through policies that distort the commercial field.

Cultural recognition should not overshadow economic merit. Policies that reward identity over competence can distort the market. Equity should not become a form of preferential treatment.

If private businesses are forced to bear the costs of Treaty obligations, there should be compensation for those costs. For example, councils or contractors should be reimbursed for cultural engagement costs. This will help restore balance in the market.

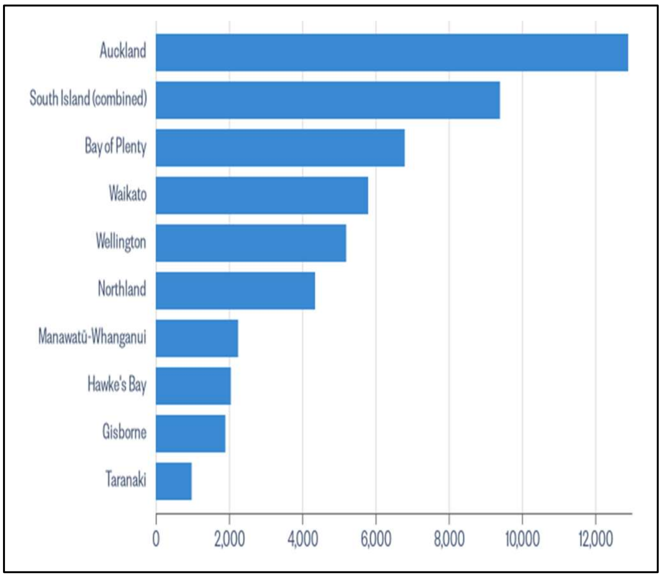
Finally, we need to ensure that the success of Māori businesses doesn't come at the expense of others. New Zealand's prosperity depends on the success of all communities. If policies create a perception that one group's success comes at the cost of another's, it harms social cohesion. The economy isn't a zero-sum game, and policies should reflect that.

Māori businesses should thrive based on excellence, not preferential treatment. If the Crown truly values its obligations, it must bear the costs itself. When all businesses succeed based on merit, the whole economy benefits. But if one group is lifted by government intervention while another is burdened by regulations, it creates inequality.

We can do better, and Māori business, if left to shine on its own terms, surely will.

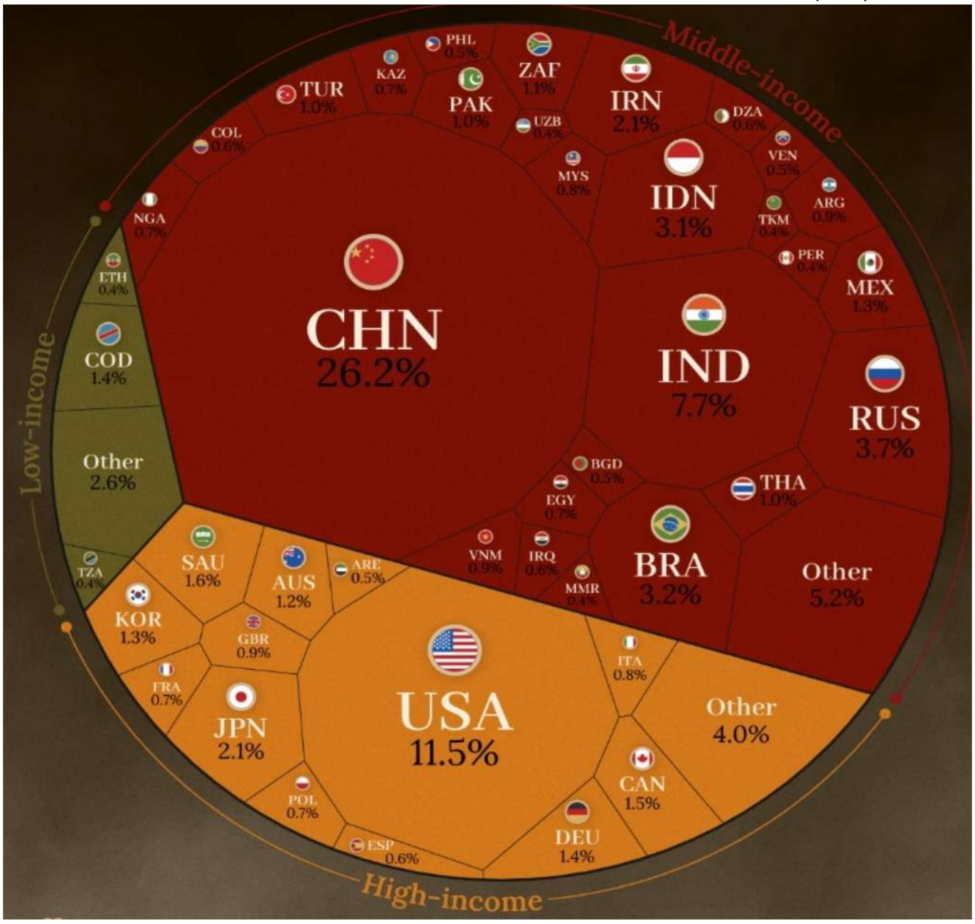
EMPLOYEES OF MĀORI BUSINESSES

BY REGION, AS AT FEBRUARY 2023



WORLD'S CARBON EMISSIONS

% OF TOTAL GLOBAL EMISSIONS IN 2022 **SOURCE:** Climate Watch (2025)



ISRAELI'S MOSSAD DOES IT AGAIN

SOURCE: DailyWire.com, 17-June 2025

Israeli secret service operatives used a fake phone call to trigger what appeared to be an "emergency meeting" among Iran's top military leaders — and then targeted the location of the meeting.

Mossad used Iranian communication channels as part of a coordinated disinformation campaign targeting the entire (20) top Iranian Air Force officials and luring them all to the same location (a fortified bunker outside Tehran) for what they believed to be an important meeting.

This meant there was no one to give the order to fire the initial salvo of 1,000 ballistic missiles as Iran had previously threatened to do.

The added bonus for the Israelis was that Iranian military leadership was essentially crippled from the moment of Israel's first strike against the world's top sponsor of terrorism.

NATURAL GAS IS RUNNING OUT – THANKS JACINDA

The country's natural gas supply is running out faster than previously thought. MBIE said previous forecasts showed annual gas production falling below 100 petajoules (PJ) by 2029, but revised forecasts indicated that level would be reached by next year.

MBIE also said as of January this year, natural gas reserves were down 27% compared to last year – also falling faster than previously estimated.

"In 2024, natural gas proven plus probable (2P) reserves reduced from 1300 PJ to 948 PJ," MBIE said.

So this was Labour's "GRAND PLAN"! Banning renewables – and importing dirty Indonesian coal.

Thank goodness we have returned to sensible National Party policy – overturning the gas exploration ban!

DEPUTY PRIME MINISTER DAVID SEYMOUR

David Seymour's speech at ACT's 1st June Celebration Brunch highlighted the party's remarkable journey from near collapse to being a major political force in New Zealand. He thanked supporters, acknowledged past struggles, and emphasized ACT's core values: freedom, personal responsibility, and hope for New Zealand's future.

He described how the ACT Party survived all this, making several Key Points:

FREEDOM FIRST

Seymour emphasized ACT's commitment to individual freedom—doing what you like as long as it doesn't harm others.

TOUGH BEGINNINGS

Seymour recalled the early struggles of ACT under his leadership - low polling, financial hardship, internal drama - but highlights the determination that kept the party alive.

ACT had got 1.1% at the 2011 election and only hung on with John Banks winning Epsom. They generally polled around 0.5% for the next three years and got 0.7% in 2014, again just winning Epsom with David Seymour as the sole MP. 2017 saw an even worse result with just 0.5%. The thought that in eight years time Seymour would be Deputy Prime Minister was unthinkable in those years. And in 2018, ACT continued to poll under 1%. But in 2019 their support ticked up to 2% and just before Covid struck they even made 3.5%. Covid-19 saw their support drop back to 1.8% but then it climbed and by June they had hit 5%, then 6%, then 7% and got 7.6%. An amazing performance, and not a flash in the pan due to an election debate worm.

Then despite all those new MPs, the much larger caucus kept it together and as National has internal issues, ACT hit 18.5% in late 2021. They dropped back as National recovered but still went on to get an increased vote of 8.6% in 2023, and the coalition agreement that saw David Seymour become Deputy Prime Minister from 1st June this year.

ACT'S PHILOSOPHY

Seymour positioned ACT as a party that builds people up, contrasting it with what he views as the left's politics of envy and division.

LOOKING AHEAD

Seymour stated that ACT's journey is far from over and emphasized his vision for a cultural shift toward celebrating success and empowering people to thrive.

The speech reflected on ACT's past resilience while focusing on future aspirations for the country and the party's mission.

A remarkable turn-around story. There is no doubt that David has a high IQ but he does seem to lack in EQ. That said - he has maintained a very focused ACT caucus, so don't underate this politician.

"New Zealand could be 'the Athens of the modern world' if it overcame problems and moved past the 'underbelly of tall poppy'."

David Seymour

Pita Alexander adds an interesting perspective **on the rising debt of the US economy**

Actual history of USA Government debt from 1945 to 2025

1945	$258 billion (or $0.258 trillion)
1950	$257 billion
1955	$274 billion
1960	$286 billion
1965	$317 billion
1970	$371 billion
1975	$553 billion
1980	$907 billion
1985	$1,823 billion
1990	$3,233 billion
1995	$4,974 billion
2000	$5,674 billion
2005	$7,932 billion
2010	$13,561 billion
2015	$18,150 billion
2020	$26,945 billion
2025	$36,216 billion (or $36.216 trillion)

Suggested Key Issues

(a) 80 years

(b) one trillion = 1,000 billion

(c) one trillion = 1,000,000,000,000

(d) USA debt surpassed one trillion on 23 October 1981

(e) Present USA population in May 2025 is approximately 347 million.

(f) Based on 347 million people, this suggests the total USA debt is around US$104,368 per man, woman and child.

(g) The annual percent compound increase each year in USA debt since 1945, has been 6.375%. This suggests a doubling every 11.29 years from 1945 until 2025

(Total USA Government debt in April 2025 is $36.216 trillion ($US). In New Zealand dollars this debt represents around $61.2 trillion ($NZ). The USA population is currently around 69 times larger than New Zealand, but the USA debt is around 336 times more than New Zealand.)

What has the USA gross domestic product (GDP) been over recent years (in billions of $US)?

1947	$ 245 billion
1950	$ 320 billion
1955	$ 437 billion
1960	$ 540 billion
1965	$ 772 billion
1970	$ 1,089 billion
1975	$ 1,762 billion
1980	$ 2,985 billion
1985	$ 4,444 billion
1990	$ 6,005 billion
1995	$ 7,455 billion
2000	$10,436 billion
2005	$13,324 billion
2010	$15,309 billion
2015	$18,435 billion
2020	$22,069 billion
2025	$30,000 billion or $30 trillion

Suggested key issues

(a) 78 years

(b) GDP is really another name for gross sales and services for a country. It is a measure of overall output.

(c) Since 1947 the compound annual increase each year in USA GDP has been 6.35%

Estimated USA Government spending proposed for the 2025 year

Medicare	$859.6 billion ($US)	17.0%
Health	$602.3 billion ($US)	11.9%
Income Security	$398.2 billion ($US)	7.9%
General Government	$236.9 billion ($US)	4.7%
Social Security	$823.9 billion ($US)	16.3%
National Defence	$760.8 billion ($US)	15.0%
Net interest	$593.3 billion ($US)	11.7%
Veterans benefits	$200.5 billion ($US)	4.0%
Transportation	$73.3 billion ($US)	1.4%
Commerce & Housing	$68.3 billion ($US)	1.3%
Justice	$49.2 billion ($US)	1.0%
Agricultural	$35.2 billion ($US)	0.7%
Community & Regional	$62.1 billion ($US)	1.2%
International Affairs	$31.4 billion ($US)	0.6%
National Resources	$60.3 billion ($US)	1.2%
Energy	$48.6 billion ($US)	1.0%
Science	$18.0 billion ($US)	0.4%
Education	$14.4 billion ($US)	0.3%
Other Expenses	$123.1 billion ($US)	2.4%
	$5,059.4 *billion* (5.094 *trillion*)	100%

What interest rate did the USA Government pay:

(a) In the 2015 fiscal year: 2.35%

(b) In the 2024 fiscal year: 3.32%

(The USA Government balance date each year is 30th of September).

Who lends money to the USA Government (as at 05 April 2024)

Japan	$ 1.100 trillion ($US)
China	$ 0.749 trillion ($US)
UK	$ 0.698 trillion ($US)
Luxembourg	$ 0.375 trillion ($US)
Canada	$ 0.328 trillion ($US)
Other countries	$ 4.670 trillion ($US)
USA investors	$27.540 trillion ($US)

A total of $7.92 trillion lent to the USA Government by countries other than the USA investors.

In 2011, the various world countries had lent the USA $6.80 trillion, increasing to $7.92 trillion by 2024 (13 years). As at 31 December 2024, the American public had advanced just on 80% of the total debt to their government.

What is the estimated USA Government income and expenses for the 2025 year:

Gross receipts	$5.485 trillion $US
Less gross expenses	($7.266) trillion $US
Estimated deficit	(*$1.781*) trillion $US

Estimated GDP for the USA in 2025 is $29.340 trillion.

The USA deficit in: 2023 year was $1.694 trillion $US
2024 year was $1.859 trillion $US

A deficit each year is estimated from the 2023 year right through to the 2034 year.

The USA Government debt to GDP ratio is around 122% right now. The ratio for New Zealand is currently around 42.5%. There are several of the world's countries as high or higher than the USA, such as:

Japan
Greece
Argentina
Italy

But being in this group is unsound.

What is driving up the USA Government debt:

(a) Aging population (that is, welfare costs).

(b) Rising health care.

(c) Rapidly rising interest costs.

(d) A complete structural mismatch between revenue and expenses since about 1995 (that is the last 30 years).

(e) The USA tax system (fiscal system) does not generate nearly enough to cover the USA Government expenses and this looks as though it will not change the way their government is presently thinking and acting.

What can New Zealand learn from all this:

(a) Almost nothing…

(b) But; almost all the issues driving up the USA debt as listed already apply to New Zealand.

(c) What the USA Government is doing in much of all this, is exactly what New Zealand Government and the New Zealand people must not do.

Is the current rising USA debt sustainable? No but there are no signs of their government agencies taking this view seriously. Several of the world's financial credit organisations are starting to down grade the USA Government as a borrowing entity. They are on an unsustainable path.

The USA has what is called a "debt ceiling" which was created by government in 1917. It is meant to stop government increasing the government debt without a lot of thought. Since 1960 Congress has raised the debt ceiling 78 times, so its importance has been completely undermined.

So what is the take home message for the New Zealand Government and New Zealand people from all this:

1. Keep the New Zealand debt to GDP ratio below 50%.

2. If you don't get the fiscal side (tax side) operating properly, then the expenses will blow the economy to pieces and it will take years and real ability to recover.

3. The USA thought it had "checks and balances" in its Constitution to control where it has presently ended up, but they have not worked.

4. You don't only need strong politicians, you need politicians who are prepared to do the right thing even if they then are then voted out.

5. A strong fiscal foundation is essential for a growing thriving economy.

6. Sooner or later the countries and investors lending substantial sums to the USA Government, will want a higher interest return to cope with what they will see as higher risk. Really this is Economics 101 and in time the USA Government interest costs will reduce what can be spent on education, health, welfare etc., which is a major backward step.

UNITED STATES
Trump finally showed decisiveness. He is an egotistical numbskull but Iran underrated his determination

EUROPE
NATO meeting was a huge success Europe stepped up big time and the world will be safer for it

INDIA
India / Pakistan conflict continues to bubble away. India is becoming a world powerhouse

AUSTRALIA
Australia has matured into an influential world force

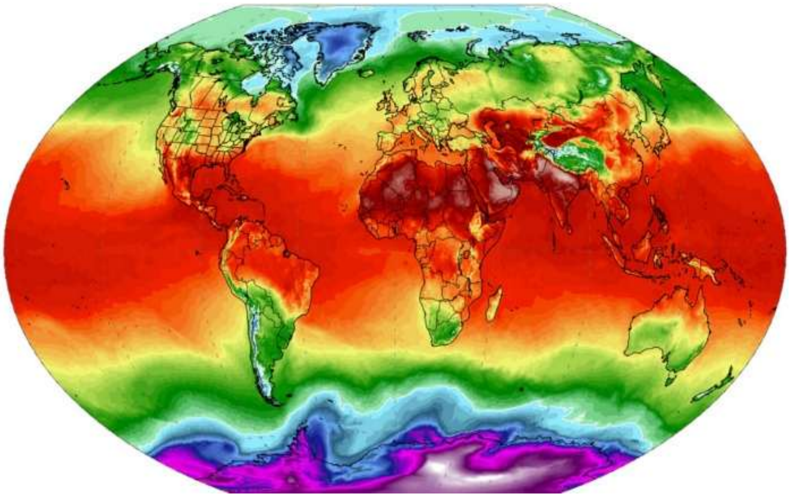
NEW ZEALAND
Local Government is at a crossroad LG needs to stick to core business

UNITED KINGDOM
Labour is in disarray. How do you squander such a huge majority?

RUSSIA
Putin is playing a dangerous game Europe is finally reacting.

CHINA
President Xi is a smart leader Trump has met his match

JAPAN
Japan is enjoying positive growth. It remains the world's third strongest economy

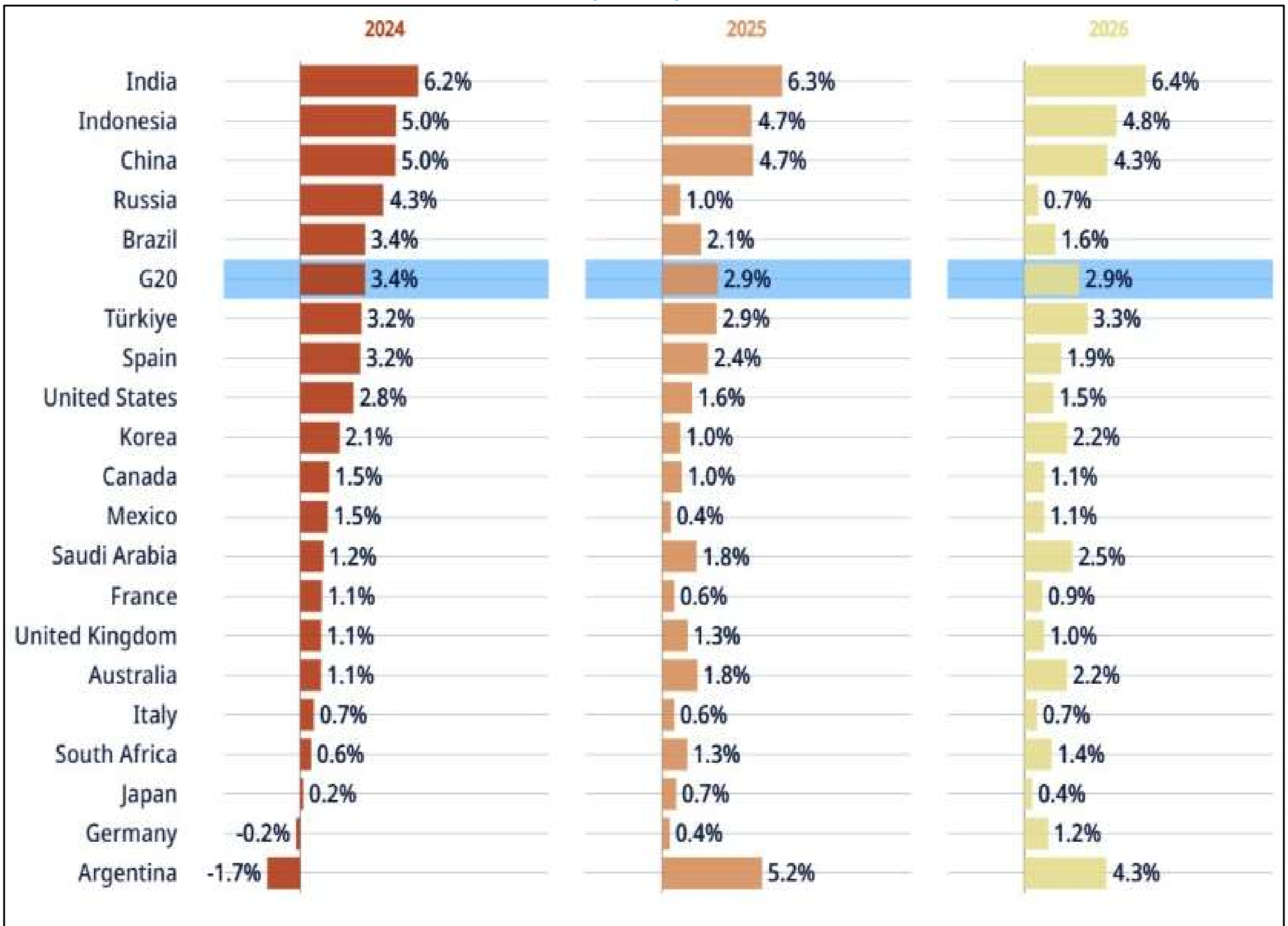


WORLD HEAT MAP (above)

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.

REAL GDP GROWTH FOR 2024 & PROJECTIONS FOR 2025 & 2026

%, year-on-year



Source: OECD Economic Outlook, June 2025.

THE OECD JUNE 2025 ECONOMIC OUTLOOK

This report states that global economic prospects are weakening, with substantial barriers to trade, tighter financial conditions, diminishing confidence and heightened policy uncertainty projected to have adverse impacts on growth.

The Outlook projects global growth slowing from 3.3% in 2024 to 2.9% in both 2025 and 2026. The slowdown is expected to be most concentrated in the United States, Canada, Mexico and China, with smaller downward adjustments in other economies.

GDP growth in the United States is projected to decline from 2.8% in 2024 to 1.6% in 2025 and 1.5% in 2026. In the euro area, growth is projected to strengthen modestly from 0.8% in 2024 to 1.0% in 2025 and 1.2% in 2026. China's growth is projected to moderate from 5.0% in 2024 to 4.7% in 2025 and 4.3% in 2026.

Inflationary pressures have resurfaced in some economies. Higher trade costs in countries raising tariffs are expected to push inflation up further, although the impact will be partially offset by weaker commodity prices. Annual headline inflation in the G20 economies is collectively expected to moderate from 6.2% to 3.6% in 2025 and 3.2% in 2026 (see chart on previous page).

MARCH QUARTER GDP GDP GROWTH

Country	2025 Q1 GDP growth q/q
Sweden	-0.2
Norway	-0.1
United States	0
Japan	0
France	0.1
Australia	0.2
Germany	0.4
Canada	0.5
Euro Area	0.6
United Kingdom	0.7
New Zealand	0.8

Source: National Statistical agencies, Macrobond

NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.34 million

NZ ECONOMY

Farming is crucial to New Zealand's economy, and this has never been more evident than the current economic climate within New Zealand. It could be said that farming is currently saving our economy.

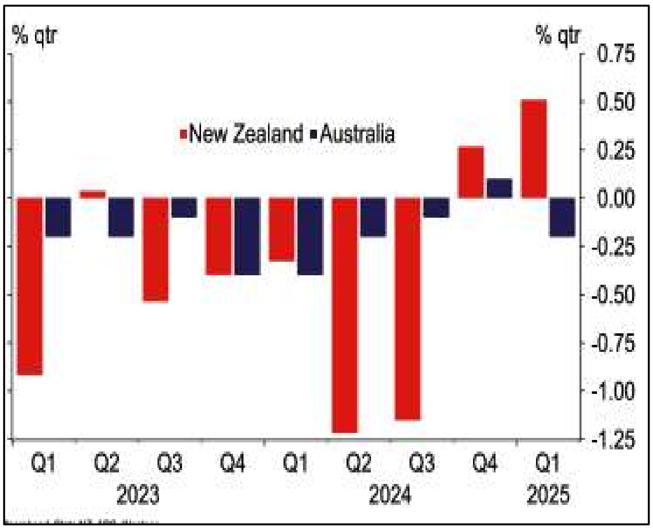
It has been pointed out by many economists, including Treasury and the Reserve Bank, that New Zealand's economic capacity is not great. In fact, Treasury has suggested we can't really grow at much more than 2.2% a year without exceeding capacity and running into inflation problems.

That's not a rate that is going to transform New Zealand to a much wealthier nation and solve our fiscal problems. Ultimately, we need to increase the underlying capacity of the economy.

That's harder than just boosting short-term growth. It **requires real progress on our productivity rates**, more availability of capital, more investment in business and a larger, more highly skilled workforce. The Government says it's working on this, which is good. The proof will be if this is actually achieved.

According to Treasury (Budget 2025) New Zealand's national income is expected to grow over the forecast period in line with developments in the real economy and nominal GDP reaches $520 billion by the end of the forecast period. The growth in New Zealand's national income drives an increase in annual total core Crown tax revenue of $27.6 billion over the forecast period, from $120.6 billion in the year to June 2024 to $148.2 billion in 2029.

NEW ZEALANFD & AUSTRALIA - GDP PER CAPITA



New Zealand's economy expanded by 0.8% quarter-on-quarter in the first quarter of 2025, accelerating from 0.5% growth in the previous period and slightly beating market expectations of 0.7%. This marked the second consecutive quarter of growth following two quarters of contraction.

OCR RESET

On 28th May, the Reserve Bank lowered the Official Cash Rate by 0.25% to 3.25% as expected by money markets and most economists. The better-than-expected March economy and signs of a recent rise in inflation is likely to cause the Reserve Bank is likely to keep the OCR on hold at its July meeting.

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	↗	↘	↘

OECD NZ REPORT

The June 2025 OECD Report on the NZ Economy noted that following the deepest recession since 1991, economic activity began to recover in late 2024. The expansion n is expected to continue with growth projected to rise to 0.8% in 2025 and 1.7% in 2026 supported by lower interest rates. However, increased trade restrictions and high uncertainty about trade policy globally will temper external demand, confidence and the pace of the recovery. Inflation is set to fall further due to lower oil prices and higher spare capacity including in the labour market. The unemployment rate is expected to peak in late 2025 at around 5.4%.

NEW ZEALAND DEMAND - OUTPUT & PRICES

New Zealand	2021	2022	2023	2024	2025	2026
	Current prices NZD billion	Percentage changes, volume (2009/2010 prices)				
GDP at market prices	359.1	3.2	1.9	-0.1	0.8	1.7
Private consumption	202.9	4.2	1.0	0.2	0.3	1.8
Government consumption	73.4	5.2	0.8	0.0	0.3	0.3
Gross fixed capital formation	85.7	4.2	-0.1	-4.6	-1.0	2.7
Final domestic demand	362.0	4.4	0.7	-1.0	0.0	1.7
Stockbuilding[1]	8.7	0.2	-1.7	0.2	0.2	0.0
Total domestic demand	370.7	4.4	-0.9	-0.8	0.2	1.7
Exports of goods and services	77.7	-0.8	11.4	4.2	4.0	1.5
Imports of goods and services	89.4	4.6	-0.6	2.4	1.3	1.4
Net exports[1]	-11.7	-1.3	2.8	0.3	0.6	0.0
Memorandum items						
GDP deflator	_	6.2	3.6	3.6	2.6	1.9
Consumer price index	_	7.2	5.7	2.9	2.4	2.1
Core inflation index[2]	_	6.0	5.6	3.5	2.5	2.2
Unemployment rate (% of labour force)	_	3.3	3.7	4.7	5.3	5.2
Household saving ratio, net (% of disposable income)	_	-3.0	-8.5	-7.8	-6.8	-6.6
General government financial balance (% of GDP)	_	-2.6	-2.1	-1.8	-1.2	-1.2
General government gross debt (% of GDP)	_	51.2	54.4	57.0	57.8	58.4
Current account balance (% of GDP)	_	-8.8	-6.9	-6.1	-5.0	-4.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 117 database.

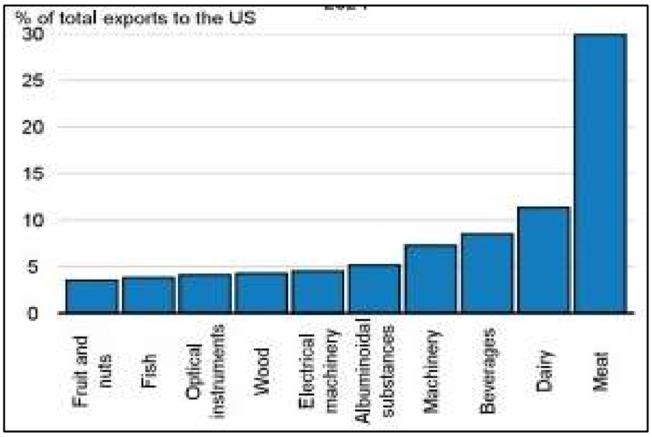
US TRADE BARRIERS

In April 2025, the United States added a new 10% minimum tariff on imported goods. This makes it harder for countries like New Zealand to sell products - especially beef - to the US, where beef used to get a good deal under a low-tariff quota.

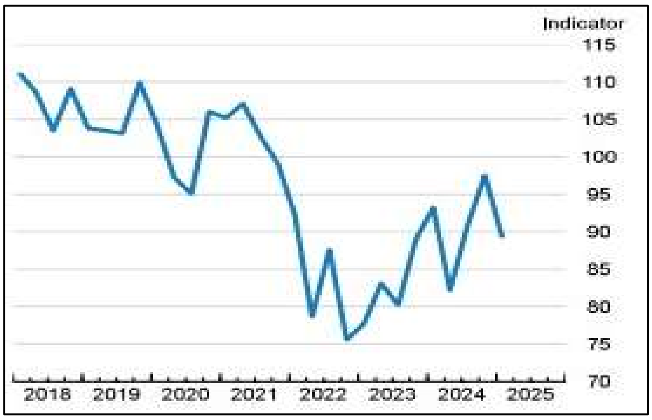
The immediate effect of these new trade barriers is likely to be lower prices for New Zealand's exports, rather than lower sales volumes. In addition, New Zealand's export prices are expected to come under pressure from greater competition in markets outside the United States. Weaker external demand is also projected to eventually slow export volume growth, weighing on the expansion. The projections assume no trade policy retaliation by New Zealand.

The OECD forecast assumes New Zealand won't strike back with its own trade penalties. That means any impact on inflation would be indirect - through higher global production costs and lower prices for goods from other countries trying to find new markets outside the U.S.

NZ EXPORTS TO THE US IN 2024



NZ CONSUMER CONFIDENCE



NZ INFLATION

While inflation is likely to rise in the short-term due to price rises in volatile areas, expect inflation to materially ease in the medium term. We see the need for the OCR to be cut to 2.75% by the end of the year to sufficiently revive the economy. The Reserve Bank has now come around to this view and is more in line with where most economists are currently seeing things - with the terminal OCR settling around 2.75% this cycle.

NEW ZEALAND 2025 BUDGET – KEY ECONOMIC & FISCAL INDICATORS

Years ending 30 June	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Real production GDP (annual average % change)	0.6	-0.8	2.9	3.0	2.9	2.6
Unemployment rate (June quarter)	4.6	5.4	5.0	4.8	4.5	4.3
CPI inflation (annual % change)	3.3	2.2	2.1	2.0	2.0	2.0
Current account balance (annual, % of GDP)	(6.6)	(5.0)	(3.5)	(3.3)	(3.1)	(2.9)
OBEGALx ($billions)	(8.8)	(10.2)	(12.1)	(8.1)	(3.1)	0.2
% of GDP	(2.1)	(2.3)	(2.6)	(1.7)	(0.6)	0.0
Net core Crown debt ($billions)	175.5	185.6	200.2	218.4	230.2	238.5
% of GDP	41.7	42.7	43.9	45.7	46.0	45.5

SOURCE: NZ Treasury (2025 Budget)

AUSTRALIAN ECONOMIC OUTLOOK

Population: 27.7 million

AUSTRALIAN ECONOMY

According to the latest OECD Report, GDP growth is expected to reach 1.8% in 2025 and 2.2% in 2026, after a period of weak activity.

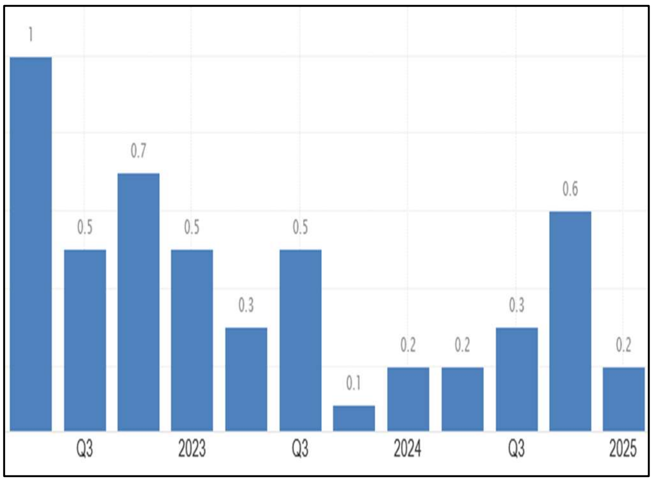
AUSTRALIAN DEMAND - OUTPUT & PRICES

Australia	2021	2022	2023	2024	2025	2026
	Current prices AUD billion	Percentage changes, volume (2022/2023 prices)				
GDP at market prices	2 202.7	4.1	2.0	1.1	1.8	2.2
Private consumption	1 089.8	7.3	2.4	0.6	1.5	2.3
Government consumption	488.2	5.1	1.9	4.7	2.8	2.1
Gross fixed capital formation	509.6	2.1	5.1	2.2	1.8	2.4
Final domestic demand	2 087.6	5.5	2.9	1.9	1.9	2.3
Stockbuilding[1]	6.2	0.6	-0.9	0.1	0.1	0.0
Total domestic demand	2 093.8	6.1	1.9	2.1	2.0	2.3
Exports of goods and services	519.8	2.6	6.9	1.0	2.4	3.1
Imports of goods and services	410.9	13.7	6.8	5.5	2.1	3.3
Net exports[1]	108.9	-1.9	0.4	-1.0	0.1	0.0
Memorandum items						
GDP deflator	_	8.3	3.5	2.7	2.2	2.2
Consumer price index	_	6.7	5.6	3.2	2.3	2.3
Core inflation index[2]	_	5.9	5.8	3.3	2.5	2.3
Unemployment rate (% of labour force)	_	3.7	3.7	4.0	4.1	4.3
Household saving ratio, net (% of disposable income)	_	8.0	2.6	3.4	4.7	5.8
General government financial balance (% of GDP)	_	-1.7	-0.8	-2.7	-4.0	-3.9
General government gross debt (% of GDP)	_	55.0	55.7	57.1	59.9	62.5
Current account balance (% of GDP)	_	0.3	-0.3	-1.9	-2.0	-2.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 117 database.

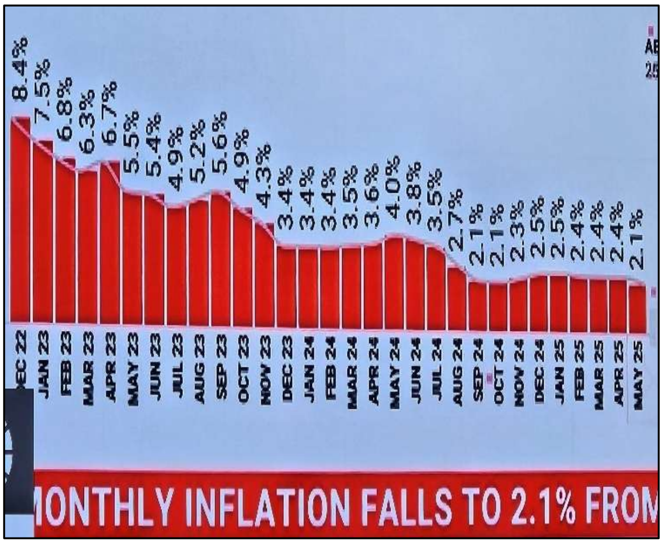
The strong recent Immigration driven growth in employment and the labour force will subside, leaving unemployment little changed at low levels. Inflation is expected to remain close to target, averaging 2.3% in both 2025 and 2026. Australia has limited direct exposure to US tariff changes but is at risk from any marked slowdown in China, especially via its effect on commodity prices.

AUSTRALIA –ANNUALISED GDP GROWTH



The Australian economy grew by 0.2% qoq in Q1 2025, slowing sharply from a 0.6% rise in Q4 and falling short of market forecasts of 0.4%. It marked the 14th straight quarter of expansion but the weakest in three quarters. Public spending posed the biggest drag since Q3 2017, as severe weather disrupted mining, tourism, and shipping.

AUSTRALIAN MONTHLY INFLATION FALLS TO 2.1%



Just released Annualised inflation in Australia has dropped from 2.4% (annualised) in April to 2.1% in May.

UNITED STATES ECONOMIC OUTLOOK

Population: 341.9 million

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

The latest OECD Report states that growth in the US is expected to slow markedly to 1.6% in 2025 and 1.5% in 2026. This reflects the substantial increase in the effective tariff rate on imports and retaliation from some trading partners, high economic policy uncertainty, a significant slowdown in net immigration, and a sizeable reduction in the federal workforce.

Annual headline inflation is set to pick up to 3.9% by end-2025 due to higher import prices but is expected to ease throughout 2026, aided by moderate GDP growth and higher unemployment. Risks to the growth projection are skewed to the downside, including a more substantial slowing of economic activity in the face of policy uncertainty, greater-than-expected upward pressure on prices from tariff increases, and large financial market corrections.

UNITED STATES DEMAND - OUTPUT & PRICES

United States	2021	2022	2023	2024	2025	2026
	Current prices USD billion	Percentage changes, volume (2017 prices)				
GDP at market prices	23 681.2	2.5	2.9	2.8	1.6	1.5
Private consumption	16 113.9	3.0	2.5	2.8	2.1	1.3
Government consumption	3 375.3	-1.1	2.9	2.5	0.7	0.7
Gross fixed capital formation	5 039.8	2.0	3.2	4.3	1.0	0.4
Final domestic demand	24 529.0	2.3	2.7	3.0	1.7	1.1
Stockbuilding[1]	12.2	0.6	-0.4	0.1	0.4	0.0
Total domestic demand	24 541.2	2.8	2.3	3.1	2.1	1.0
Exports of goods and services	2 555.4	7.5	2.8	3.3	1.9	1.9
Imports of goods and services	3 415.5	8.6	-1.2	5.3	5.9	-1.6
Net exports[1]	- 860.0	-0.4	0.5	-0.4	-0.6	0.4
Memorandum items						
GDP deflator	_	7.1	3.6	2.4	3.4	2.7
Personal consumption expenditures deflator	_	6.6	3.8	2.5	3.2	2.8
Core personal consumption expenditures deflator[2]	_	5.4	4.1	2.8	3.5	2.8
Unemployment rate (% of labour force)	_	3.6	3.6	4.0	4.2	4.3
Household saving ratio, net (% of disposable income)	_	3.1	4.9	4.7	4.3	5.0
General government financial balance (% of GDP)	_	-3.7	-7.5	-7.4	-7.5	-8.1
General government gross debt (% of GDP)	_	118.6	121.2	122.9	125.2	128.8
Current account balance (% of GDP)	_	-3.9	-3.3	-3.9	-4.1	-3.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. Deflator for private consumption excluding food and energy.
Source: OECD Economic Outlook 117 database.

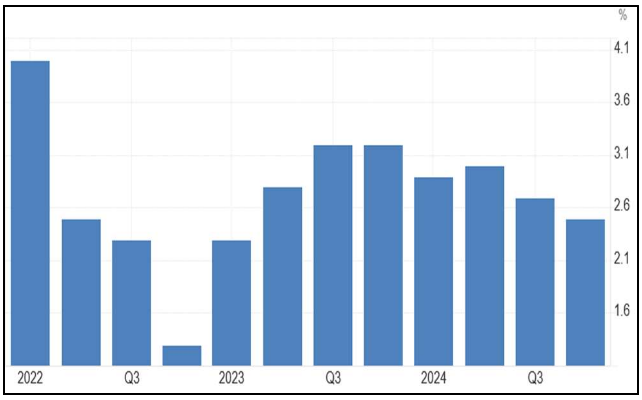
Further easing of monetary policy will be warranted once inflation begins to abate and so long as inflation expectations remain well-anchored. Large budget deficits are expected for a sustained period, contributing to a high and rising government debt-to-GDP ratio. A significant fiscal adjustment will be required over several years. To ensure sustained growth and resilience, further efforts are needed to resolve trade tensions with international partners and reduce policy uncertainty.

US ECONOMIC OUTLOOK HAS DETERIORATED

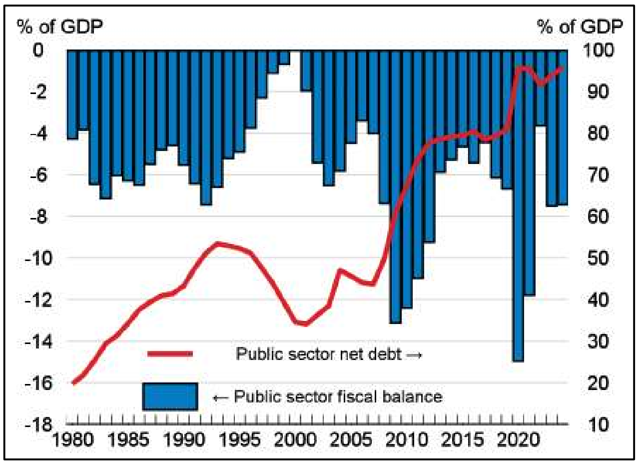
GDP grew at a robust pace of 2.8% in 2024, driven largely by private consumption and government spending, while further progress was made on disinflation. Although the advance estimate of GDP growth in the first quarter of 2025 was negative, this weakness likely reflected distortions from announced and anticipated actions on tariffs. Incoming hard data have generally indicated that the US economy began the year with considerable momentum. Final private demand remained resilient in the first quarter, monthly payroll growth averaged about 145 000 through the first four months of the year, and the unemployment rate remained low at 4.2%. By contrast, recent soft data indicators, such as surveys of consumer and business sentiment and inflation expectations, suggest a notable cooling of real GDP growth and a significant increase in inflation expectations. Measures of economic policy uncertainty have soared, and equity and bond markets have been characterised by elevated uncertainty and volatility. Meanwhile,

inflation has proven sticky over recent quarters, with annual headline inflation remaining about 0.5% points above the Federal Reserve's target of 2% through the first quarter of 2025.

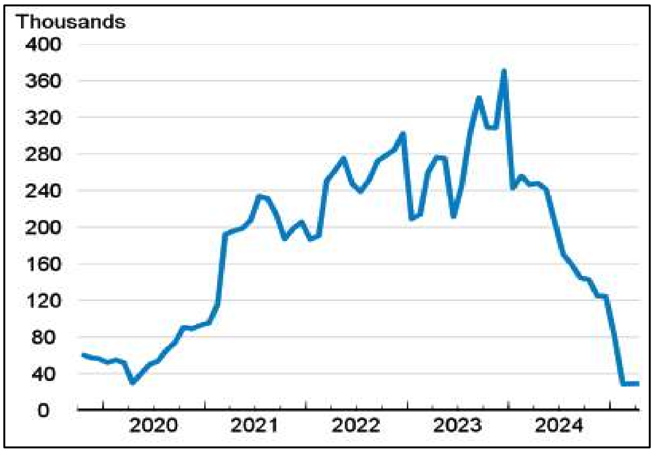
UNITED STATES – ANNUAL GDP GROWTH RATE



UNITED STATES – GROWING DEBT



UNITED STATES BORDER ENCOUNTERS



CHINESE ECONOMIC OUTLOOK

Population: 1.42 billion ↓

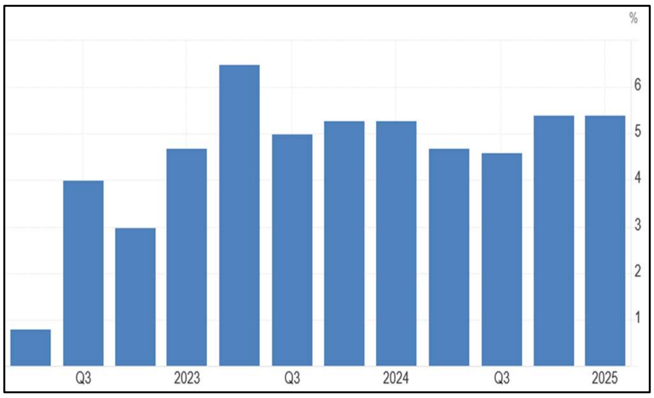
Chinese Economy

China's economy grew 5.4% year-on-year in Q1 of 2025, maintaining the same pace as in Q4 and exceeding market expectations of 5.1%. It remained the strongest annual growth rate in 1-1/2 years amid Beijing's ongoing stimulus.

The latest GDP readings were also buoyed by robust March activity: industrial output rose at its fastest pace since June 2021, retail sales posted the biggest gain in over a year, and the surveyed jobless rate eased from a two-year high.

Fixed asset investment also slightly surpassed expectations in the first quarter. On the trade front, exports recorded their strongest growth since October as firms accelerated shipments ahead of looming tariffs, while a drop in imports narrowed. The statistics bureau said the Chinese economy was "off to a good and steady start" and highlighted the growing role of innovation. However, intensifying trade tensions with the U.S. have quickly darkened the outlook, increasing pressure on Beijing to roll out additional support measures.

CHINA – ANNUAL GDP GROWTH RATE



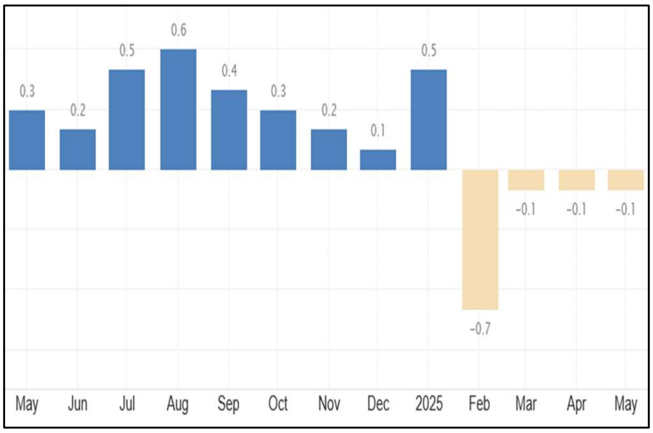
Inflation Rate

China's consumer prices dropped by 0.1% yoy in May 2025, matching the declines seen in the previous two months and slightly outperforming expectations of a 0.2% decrease. This was the fourth straight month of consumer deflation, highlighting challenges from ongoing trade risks with the US, sluggish domestic demand, and concerns over job stability.

Non-food prices were flat for the second month in a row, as increases in housing (0.1% vs 0.1% in April), clothing (1.5% vs. 1.3%), healthcare (0.3% vs 0.2%), and education (0.9% vs 0.7%) were offset by a sharper drop in transport (-4.3% vs -3.9%). On the food side, prices fell at a steeper rate (-0.4% vs -0.2%), down for the fourth month.

Core inflation, which excludes volatile food and fuel prices, rose 0.6%, marking the highest reading since January and following a 0.5% gain in the prior two months. On a monthly basis, the CPI declined by 0.2% in May, reversing a 0.1% gain in April and indicating the third monthly drop so far this year.

CHINA – ANNUALISED INFLATION RATE



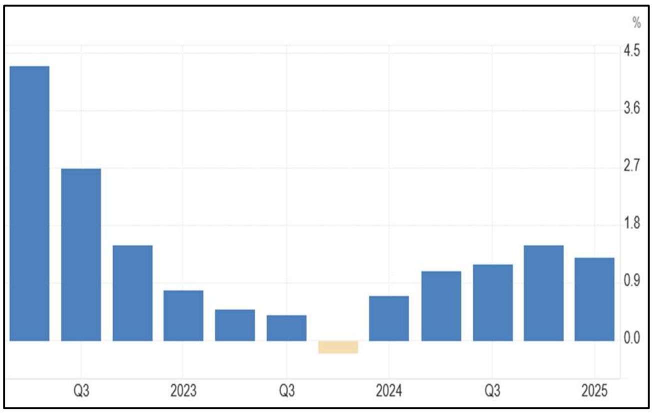
UNITED KINGDOM ECONOMIC OUTLOOK

Population: 69.1 million

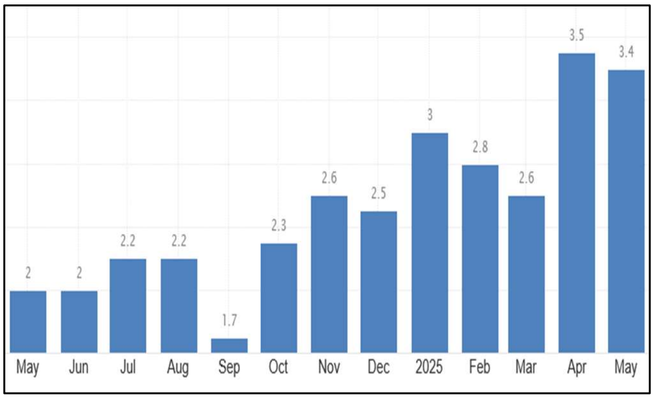
UK Economy

The British economy grew by 1.3% year-on-year in the first quarter of 2025, slightly below the 1.5% expansion recorded in the previous quarter, but exceeding market expectations of 1.2%, according to preliminary estimates.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



UNITED KINGDOM – ANNUAL INFLATION



UK MIGRATION TRENDS

Current migration trends could impact the UK unless this issue is seriously addressed with urgency.

- The percentage of the UK population that identifies as "White British" is expected to decrease from 73% today to 57% by 2050 and further to 34% by 2100.
- The percentage of non-white individuals in the UK is projected to rise from 20% to 59% by 2100.
- By 2100, 19% of the UK population is anticipated to be Muslim.

It is difficult to envision a scenario where Japan would adopt an immigration policy that leads to native Japanese people becoming a minority in their own country within two generations.

EUROZONE ECONOMIC OUTLOOK

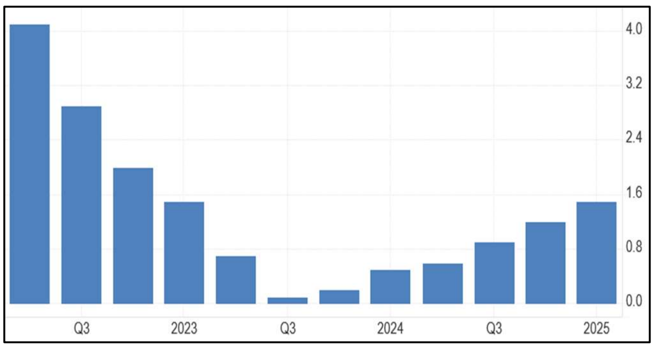
POPULATION: 449.2 million

EU ECONOMY

The Euro Area economy expanded 1.5% year-on-year in the first quarter of 2025, higher than 1.2% in the previous estimates, and the strongest annual performance since Q4 2022. It follows a 1.2% rise in Q4 2024. Gross fixed capital formation rebounded (1.9% vs -1.8%) and both exports (2.3% vs 1.2%) and imports (3.3% vs 1.3%) rose faster.

Among the bloc's largest economies, the German GDP stalled, but expansions were recorded in France (0.6%), Italy (0.7%), Spain (2.8%), & Netherlands (2%).

EUROZONE – ANNUAL GDP GROWTH RATE



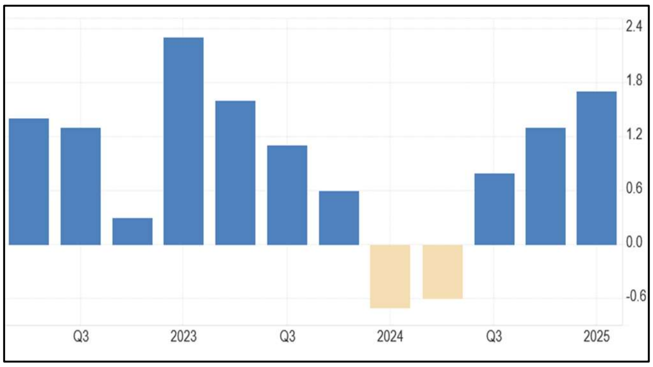
JAPAN'S ECONOMIC OUTLOOK

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



INDIA'S ECONOMIC OUTLOOK

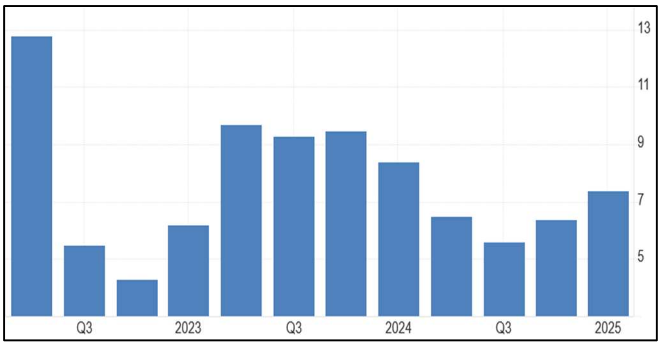
Population: 1.45 billion

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

INDIAN ECONOMY

The Indian GDP expanded 7.4% from the previous year in the March quarter of 2025, accelerating from the upwardly revised 6.4% growth in the earlier period and sharply above market expectations of a 6.7% rise, marking the sharpest growth rate of the fiscal year. The recovery pointed to traction in Indian economic growth after a period of softening, as lower food and energy prices improved eased benchmark interest rates and spurred investment, while India's low dependence on exports made it robust to global tariff threats.

INDIA – ANNUAL GROWTH RATE



COMMODITIES

NZ EXCHANGE RATES – NZS / USD (5-yrs)

OIL – BRENT CRUDE

Iran's parliament voted on 22nd June to shut down the vital Hormuz shipping channel in retaliation against Donald Trump's attack on the country.

The strait itself, which is 55-95km wide, and connects the Persian Gulf and the Arabian Sea, has roughly 20 million barrels of oil and oil products passing through it on a daily basis, accounting for nearly one-fifth of global oil shipments.

Although Iran only supplies approximately 3% of the world's oil demand, it's the vital Strait of Hormuz shipping lane which it controls, and its closure would have kept markets on edge and significantly impacting the outlook for the global economy.

Since the ceasefire in hostilities the Oil price surge has just as dramatically abated, with a barrel of Brent crude selling for about US$67.

BRENT CRUDE (1-YR)

NOTE: New Zealand trades in Brent Crude Oil

The all-time high for Brent crude is $147.50, set in July 2008 just before the global financial crisis sent prices plunging.

GOLD

Jarden expects ongoing tariff uncertainties, the recent escalation in the middle east and macroeconomic factors will continue to support the gold price up to US$3500/ounce, with any new developments likely causing further volatility.

Fundamental support should continue from central bank purchasing, recession/stagflation fears and US debt concerns.

GOLD (1-YR)

Downside risks include de-escalation in the middle east or Ukraine, resolved tariff tensions, a better economic outlook especially in the US, and the high gold price further dampening demand.

BITCOIN

Bitcoin traded at US$101,154 on 23rd June. Looking back, over the last four weeks, Bitcoin gained 6.15%. Over the last 12 months, its price rose by 67.6%.

Looking ahead, Trading Economics forecast Bitcoin to be priced at US$102,869 by the end of this quarter and at US$100,787 in one year.

BITCOIN (1-YR)

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

STRONG OUTLOOK FOR PRIMARY SECTOR

Sheep and beef farmers are delivering record-breaking red meat export sales and driving strong farmgate returns to the rural economy, Agriculture Minister Todd McClay says. March saw a record $1.26 billion in export sales – a 34% increase on the previous year.

SITUATION & OUTLOOK FOR PRIMARY INDUSTRIES REPORT

Source: MPI, June-25

Overview & Forecast

- **Export revenue** from New Zealand's food and fibre sectors is projected at **$59.9 billion** for the year ending 30 June 2025 - a **12% increase** on last year.
- It's expected to grow further to **$61.4 billion** in 2025–26 and reach **$65.7 billion by 2029**.

Situation and Outlook for Primary Industries Report
MPI (June 2025)

Sector	Growth 2024–25	Revenue Forecast for 2024–25
Dairy	16%	$27 billion
Meat & Wool	8%	$12.3 billion
Horticulture	19%	$8.5 billion
Forestry	9%	$6.3 billion
Seafood	2%	$2.2 billion
Arable	–1%	~$340 million
Processed food & others	–1%	$3.4 billion

Sector Highlights - What's Driving the Boom

- Strong global demand and tight supplies, especially in dairy, meat and wool.
- A weaker NZD has made exports more competitive.
- Good weather in NZ supported higher milk production (up 2.2%).
- In horticulture, kiwifruit had a record crop, boosting sector-wide growth.

Risks & Challenges

- Global trade uncertainties - tariffs, geopolitics - could slow growth.
- Weak demand in China, particularly for forestry products.
- Arable sector weakness due to low ryegrass seed demand and poor clover crop.

Economic Outlook

- This report, released at Fieldays 2025, marks the strongest growth year yet for primary industry exports.
- Minister McClay & MPI DG Ray Smith call it a "blockbuster year".
- Forecasts include sustained growth through 2029, with exports hitting $65.7 billion, up from ~$60 billion this year**.**

Summary

- NZ's primary industries - dairy, meat & wool, horticulture, forestry, seafood - are delivering record export revenues.
- Growth is fuelled by strong global prices, supply constraints abroad, good NZ production, and a weak NZ dollar.
- Prospects remain solid, though global economic and trade risks pose potential headwinds.

CURIA RESEARCH POLLS FARMERS

A Federated Farmers-funded poll of 1000 farmers shows what most already know: they support National. But a large portion also supports ACT and NZ First. As for Labour and the Greens? They're barely out of the starting blocks.

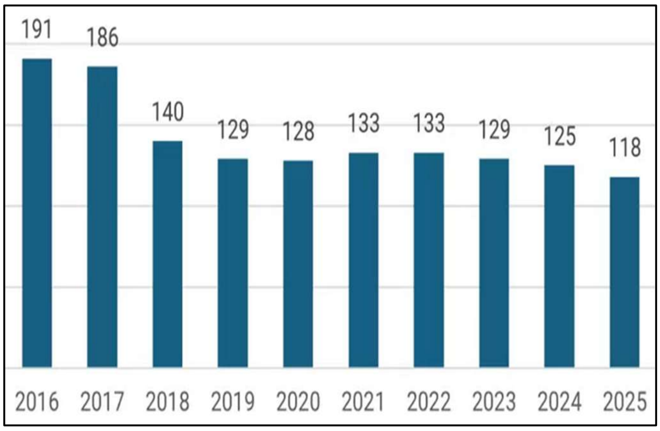
The Poll asked: which political party would you vote for?

- National: 54%
- ACT: 19%
- NZ First: 8%
- Labour: 3%
- Greens: 2%
- Te Pati Māori: 1%
- Other: 1%
- Unsure: 12%

Curia Research asked 1000 farmers, between May 26 and June 5. This poll came after the Government's Budget that included a policy whereby businesses - and farms - could instantly write off 20% of the value of new assets in order to reduce their tax bills.

NZ EQUITIES

TOTAL EQUITY ISSUERS ON NZX



Fewer companies in New Zealand are going public (listing on stock markets), while private investment is booming. A report says private capital tripled to $14.6 trillion globally over the past decade. If this continues, it could cause big problems.

Why? Because public markets give investors liquidity (the ability to buy and sell easily), clear pricing, and access to cheap investment funds. Losing that would be a big setback.

Even before public markets disappear, fewer listed companies equates to investor money being stuck in fewer options. This makes investing riskier and can distort stock prices.

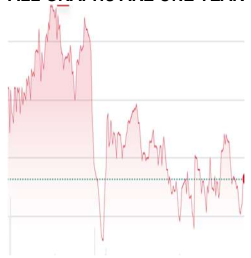
So why is this happening? Companies often skip going public to avoid the red tape and rules. It's easier and faster to raise money privately these days. As a result, many blame heavy regulation for pushing companies away from public markets.

Regulation isn't bad in itself—but it needs to be smart. For example, the government making IPO (Initial Public Offering) rules simpler is seen as a step in the right direction.

STOCKS TO WATCH NEW ZEALAND

PRICES AS AT 27TH JUNE 2025

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

CONTACT ENERGY Research: 17th June

CEN remains Jarden's preferred sector pick, with May opstats implying EBITDA of c.$77m (Jarden est. $66m), up from c.$63m in May 2024, supported by higher geothermal output (as Tauhara and Te Huka 3 deliver), lower unit generation costs, and firmer netbacks. Gains were partly offset by softer thermal output and weaker wholesale prices relative to the prior year. Geothermal generation rose 34% YoY to 432GWh, reflecting ongoing contributions as Tauhara and Te Huka 3 deliver. Hydro generation was flat YoY at 279GWh, with inflows into the Clutha catchment at 100% of mean and storage sitting at 79% of mean by month end. Thermal generation fell 26% YoY to 105GWh as lower wholesale prices reduced the incentive to run.

2025 P/E: 2026 P/E: 41.9

NZX Code:	**CEN**
Share Price:	**$9.04**
12mth Target:	**$11.11**
Projected return (%)	
Capital gain	22.9%
Dividend yield (Net)	4.5%
Total return	**27.4%**

Rating: **BUY**

52-week price range: 7.86-9.80

EROAD Research: 26th May

Market turbulence weighs on growth rate for ERD. Revenue growth of +7% y/y was driven by a combination of price increases and expansions within existing customers, offsetting churn in North America and a challenging macro backdrop which impacted the rate of new wins. North America saw units decline -2% y/y as the company focussed on higher value enterprise accounts, making a conscious decision to reduce sales effort at the smaller, more price sensitive end of the market.

2026 P/E: 37.8 2027 P/E: 16.7 2026 EPS: 75.4 2027 EPS: 85.8

NZX Code:	**ERD**
Share Price:	**$1.43**
12mth Target:	**$1.20**
Capital gain	-16.1%
Dividend yield (Net)	0.0%
Total return	**-16.1%**

Rating: **NEUTRAL**

52-week price range: 0.84-1.59

FISHER & PAYKEL HEALTHCARE Research: 27th May

Strong operating result across both divisions as expected. Total revenue +18% to $2bn, NPAT +43% to $377m, and DPS +2% to 42.5c. Relative to Jarden's forecast, slightly weaker top line but stronger gross margin and operating leverage. Result was in line at NPAT level and FCF was very strong, reflecting higher operating cashflows and lower capex on a pcp basis. The key blemish for Jarden was growth rates fading hoh, most notably in Homecare Consumables.

2026 P/E: 48.6 2027 P/E: 42.7 2026 EPS: 75.4 2027 EPS: 85.8

NZX Code:	**FPH**
Share Price:	**$36.57**
12mth Target:	**$34.50**
Projected return (%)	
Capital gain	-5.7%
Dividend yield (Net)	1.4%
Total return	**-4.3%**

Rating: **NEUTRAL**

52-week price range: 29.39-39.50

FLETCHER BUILDING — Research: 24th June

FBU's Investor Day provided an update on the company's strategic direction and financial outlook. Management alluded to potential step change, so the turnaround may become less gradual than it currently appears to be. The NZ businesses appear to have found the bottom of the cycle, which is good news, while the Australian ones are still looking for the bottom, making FY26 another tough year. There was a surprise c.$345m uplift in negative Significant Items added to the FY25 result, continuing the long cycle of write-downs. FY25 EBIT guidance was issued at $370-375m before Significant Items, modestly below Jarden's ingoing estimate. They have reduced their FY25E and FY26E EBIT to $375m and $436m, respectively, reduced their target price to $4.14 and retained their Buy rating.

2025 P/E: 12.1 2026P/E: 15.5 2025 EPS: 24.5 2026 EPS: 19.2

NZX Code:	**FBU**
Share Price:	**$2.94**
12mth Target: ↓	**$4.14**
Projected return (%)	
Capital gain	40.8%
Dividend yield (Net)	0.0%
Total return	**40.8%**

Rating: **NEUTRAL**

52-week price range: 2.63-3.55

FONTERRA SHAREHOLDERS' FUND — Research: 4th June

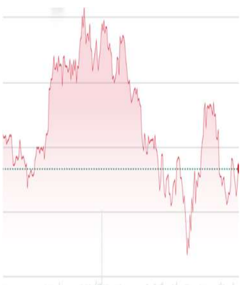
FSF's strong run on earnings has continued with it upgrading guidance to 65-75cps and reporting normalised earnings for 3QYTD of 70cps. Jarden has updated their forecasts with FY25E normalised EPS at 74cps (FSF has signalled there may be some additional costs that flow through 4Q25 that we aren't incorporating). FY25 reported earnings will be impacted by significant one-off charges associated with the divestment process, with this sitting at $77m for 3QYTD (Jarden assumes impending divestment means these are disregarded in setting dividend). The balance sheet is strong and Jarden expects an FY25E dividend of 55cps, in line with FY24 and 10cps up on our previous forecast. While FY25 sees FSF's strong run on earnings extend a third year (FY23 80cps; FY24 71cps) they note that FY25 opening guidance sat at 40 - 60cps before Ingredients delivered additional returns that is less to do with relativities and more to do with milk price phasing and contracting milk at beneficial rates early in the season on a rising price..

2025 P/E: 8.5 2026 P/E: 11.6 2025 EPS: 74.1 2026 EPS: 54.3

NZX Code:	**FSF**
Share Price:	**$6.60**
12mth Target:	**$5.87**
Capital gain	-11.1%
Dividend yield (Net)	8.8%
Total return	**-2.3%**

Rating: **NEUTRAL**

52-week price range: 3.85-6.80



INFRATIL — Research: 27th May

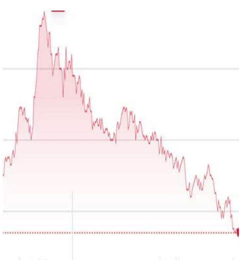
IFT reported FY25 proportionate EBITDAF of $917.8m, up 6.2% YoY and modestly above expectations (JARDe $903m). This included proportionate operational EBITDAF of $986.4m, supported by strong operational contributions from CDC, One NZ, and Wellington Airport. Proportionate development EBITDAF loss widened to $68.6m (vs $43.9m in FY24). The outlook for FY26 is in line, however, the CDC track toward doubling FY25 EBITDA by FY27 is slower at the front end due to a slower-than-market anticipated contracting of growth capacity. IFT declared a final dividend of 13.25 cps, bringing the full-year distribution to 20.5 cps, up 2.5% YoY. Jarden has reduced their IFT target value to $14.31 to account for modestly increased CDC risk and retain a Buy rating.

2026 P/E: (79.4) 2027 P/E: 209.4 2026 EPS: (13.4) 2027 EPS: 5.1

NZX Code:	**IFT**
Share Price:	**$10.70**
12mth Target:	**$14.31**
Projected return (%)	
Capital gain	33.7%
Dividend yield (Net)	2.0%
Total return	**35.7%**

Rating: **BUY**

52-week price range: 9.13-13.34



KMD BRANDS — Research: 20th June

KMD has lowered earnings expectations as a slow start to winter trading weighs on Kathmandu performance. FY25 Underlying pre-IFRS EBITDA guidance of $15m to $25m (JARDe $21m), is down -60% y/y at the midpoint and represents a more than 15-year low, highlighting the extent of the challenge faced by the company. KMD warned it would participate in heightened market promotional activity, though with group gross margin down -140bps y/y in FY25 to date, the margin impact has been greater than expected. Weighing on margin has been the slower start to Kathmandu's winter sales period, tariffs and changes to the North American surf sector competitive structure.

2025 P/E: (9.1) 2026 P/E: 125.3 2025 EPS: (3.0) 2026 EPS: 0.2

NZX Code:	**KMD**
Share Price:	**$0.27**
12mth Target:	**$0.45**
Capital gain	66.7%
Dividend yield (Net)	0.0%
Total return	**66.7%**

Rating: **OVERWEIGHT**

52-week price range: 0.26-0.59

MAINFREIGHT — Research: 29th May

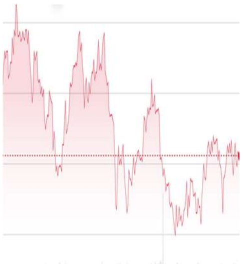
MFT delivered FY25 NPBT of $383.6m (-3.0% YoY but few surprises) after its early May trading update advising NPBT was expected to be "above market consensus expectations of $375m". As expected, the earnings decline was driven by A&O (-$13.1m, -8.0%) as margins continue to moderate in a competitive market against a soft macro backdrop (Figure 3). Warehousing added $10m in 2H25 vs the pcp, with Australia filling recently built capacity and NZ performing well. However, under-utilisation remains an issue in Europe and Asia continues to lag. Transport was down -$2.8m (all in 2H25), with growth in Australia and Europe offset by profit decline in NZ and weakness in the US. As expected, MFT saw limited benefit from volume pull-forward with tariff impacts to year end "negligible". Bonus accrual of $30.5m represented ~6.9% of NPBBT (pre-IFRS16). MFT continues to hold the dividend flat (172cps), sitting above the historical payout range (~60% vs ~40%-50%), supported by a strong Balance Sheet.

2026 P/E: 24.4 2027 P/E: 23.1 2026 EPS: 272.3 2027 EPS: 288.7

NZX Code:	**MFT**
Share Price:	**$67.37**
12mth Target:	**$71.00**
Projected return (%)	
Capital gain	5.4%
Dividend yield (Net)	2.6%
Total return	**8.0%**

Rating: **OVERWEIGHT**

52-week price range: 55.00-77.60



MERCURY ENERGY

Research: 11th June

MCY surprised the market with an announcement that it has a potential 5TWh of geothermal potential under evaluation. While this opportunity is still being firmed up and remains subject to consent, it could materially re-rate MCY's value over time. Given geothermal is baseload and requires minimal firming, if MCY can achieve a levelised cost (LRMC) of below $105/MWh, this would likely put downward pressure on wholesale price expectations through the 2030s. The company is targeting FY30 EBITDAF of $1,150m-$1,250m, broadly in line with Jarden's projections (adjusted for different build expectations). This is a positive update from the company relative to their expectations.

2025 P/E: 43.0 2026P/E: 25.6 2025 EPS: 13.9 2026 EPS: 23.3

NZX Code:	**MCY**
Share Price:	**$6.10**
12mth Target:	**$6.98**
Projected return (%)	
Capital gain	14.4%
Dividend yield (Net)	3.9%
Total return	**18.3%**

Rating: **OVERWEIGHT**

52-week price range: 5.50-7.15

MERIDIAN ENERGY

Research: 15th May

MEL reported May EBITDA of c.$85m (Jarden est. $97m), well down on the c.$116m delivered in May 2024, reflecting softer generation volume, lower wholesale pricing and flat load growth. This is broadly in line with recent trends, with the company now c.$400m below a normalised year EBITDA expectation. Jarden continues to forecast a sharp rebound into FY26. The company tracking c.$35m below our standing FY25 EBITDA forecast of $680m, last updated post the 3Q25 opstat.

2025 P/E: 2026P/E: 23.1

NZX Code:	**MEL**
Share Price:	**$5.76**
12mth Target:	**$6.33**
Projected return (%)	
Capital gain	9.8%
Dividend yield (Net)	3.6%
Total return	**13.4%**

Rating: **OVERWEIGHT**

52-week price range: 5.30-6.89

NZME

Research: 3rd June

NZM had a positive start to FY25 with operating EBITDA up on FY24 for the first four months. But it is cautious on outlook for the balance of the year and has not provided an opening guidance range, opting instead for "*while the market outlook remains uncertain, the first four months of trading combined with our cost-saving initiatives see us well placed to deliver improved operating results for 2025*." Given the economic uncertainty and flow-on risks to revenue (likely core audio/publishing advertising more than subscriber/OneRoof), NZM announced a major step up in cost out with initiatives completed in 1H25 expected to deliver gross annualised savings of $12m, a meaningful upsizing on the previously announced $4m newsroom operating model savings. The savings are largely people focused and extend to general overheads.

2025 P/E: 15.2 2026P/E: 11.0 2025 EPS: 7.9 2026 EPS: 10.9

NZX Code:	**NZM**
Share Price:	**$1.12**
12mth Target:	**$1.28**
Projected return (%)	
Capital gain	6.2%
Dividend yield (Net)	7.6%
Total return	**13.9%**

Rating: **OVERWEIGHT**

52-week price range: 0.91-1.21

PACIFIC EDGE

Research: 3rd June

PEB delivered an in-line FY25 result and announced a $20m equity raise (not underwritten, requires shareholder approval). Jarden was expecting PEB to raise on the back of a coverage decision milestone around November, and for a larger $75m. The approach appears to be to raise just enough to gain c6 months and provide the flexibility to maintain salesforce momentum. The open question remains the uncertainty of achieving coverage in 6-12 months, with no further material information provided. After modest revisions to FY26 and FY27 estimates, Jarden's target price remains unchanged at 10c.

2026 P/E: (1.4) 2027 P/E: (1.8) 2026 EPS: (2.7) 2027 EPS: (2.1)

NZX Code:	**PEB**
Share Price:	**$0.096**
12mth Target:	**$0.10**
Projected return (%)	
Capital gain	4.2%
Dividend yield (Net)	0.0%
Total return	**4.2%**

Rating: **NEUTRAL**

52-week price range: 0.05-0.185

PORT OF TAURANGA

Research: 6th June

Container pricing to lift 10%-11% p.a. over FY26E/FY27E, driving NPAT up +46%. POT has published its FY26 tariff schedule, signalling a meaningful step up in overall pricing. At the headline level, the base tariff is set to lift ~3.5% across most services. However, with increases to the infrastructure levy, and the lagged impact of previous price increases (~12% typical in FY25), Jarden expects effective average pricing to lift by 10%-11% p.a. over FY26E and FY27E. Their forecasts show NPAT lifting 46% from ~$122m in FY25E to ~$177m in FY27E, with all of that increase driven by pricing - half of which is attributable to the infrastructure levy. Their comparison of POT vs Port of Auckland (POA) pricing suggests there is still scope for POT to raise prices beyond FY27E. However, Jarden's base case assumes price increases moderate to inflationary levels, with ROIC back around POT's target of ~7% in FY27E. Furthermore, POT, the Northland Regional Council and Tupu Tonu (a Crown-owned entity) recently formed a consortium to undertake a buyout of Marsden Maritime Holdings. MMH owns 50% of Northport together with POT which owns the other 50%. Given strong support from MMH shareholders (~98% approval), the proposed buyout by POT and consortium partners is well positioned for the remaining approvals. The key opportunity is the development of MMH's c166Ha of undeveloped land holdings. With existing industrial consents, port access and potential growth in nearby industry, Jarden believes Marsden Point will be an attractive location for prospective tenants. However, with rail and road improvements still subject to government funding, Jarden views the opportunity as subject to meaningful and long-dated risk. That said, they see scope for this to be reassessed through time if key land transport enablers are put in place. MMH expects the buyout and delisting to be effected around 26 June. If implemented, POT expects to contribute ~$40m to the buyout (excluding transaction costs).

2025 P/E: 37.5 2026P/E: 30.7 2025 EPS: 18.0 2026 EPS: 22.0

NZX Code:	**POT**
Share Price:	**$6.78**
12mth Target:	↑ **$6.42**
Projected return (%)	
Capital gain	-5.3%
Dividend yield (Net)	2.4%
Total return	**-2.9%**

Rating: **NEUTRAL**

52-week price range: 4.72-6.95

PRECINCT PROPERTIES NZ — Research: 13th June

With PCT launching the first major project under its Living strategy through student accommodation at Carlaw Park, Jarden incorporates the pipeline of five projects into their forecasts (FY26–FY33). This replaces their placeholder earnings forecasts and provides a basis for measuring progress. They also highlight contributions from the funds management and Living strategies. At this stage, they stop short of assuming a terminal earnings stream from student and residential development. Longer-term forecasts are little changed, with Jarden's target price reduced to $1.14 (prev $1.15).

2025 P/E: 19.3 2026P/E: 18.3 2025 EPS: 6.3 2026 EPS: 6.6

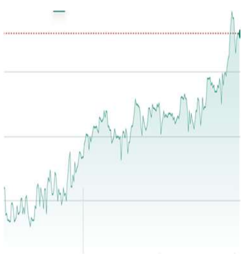
NZX Code:	**PCT**
Share Price:	**$1.21**
12mth Target:	**$1.14**
Projected return (%)	
Capital gain	-4.6%
Dividend yield (Net)	5.6%
Total return	**-1.0%**
Rating: **NEUTRAL**	
52-week price range: 2.04-5.12	

RYMAN HEALTHCARE — Research: 30th May

While RYM's turnaround began in early FY24, FY25 should mark the end of RYM's cleansing phase. Acknowledgement of the issues has been clear with RYM's new management distancing itself early from Underlying Profit, a metric that provided a poor measure of profitability externally while contributing to an internal focus on growth at the expense of outcomes with dire consequences. In FY25, RYM completed the balance sheet reset with the second equity raise most likely dealing with the combined impact of excess dividends and development losses. RYM reset expectations on growth outlook and how it is likely to look at growth (more Australia necessary in mix?) and appropriate gearing in the future given sector characteristics previously largely overlooked - concept that "working capital" debt could be counterproductive never contemplated. RYM also made clear the need for operating cash improvement. While Jarden believes RYM's direction is right, RYM-specific uncertainty is currently heightened. They do not view roll-forward returns at cost of equity as sufficient to compensate for the immediate risk outlook.

2025 P/E: (13.7)

NZX Code:	**RYM**
Share Price:	**$2.20**
12mth Target:	**$2.75**
Projected return (%)	
Capital gain	25.0%
Dividend yield (Net)	0.0%
Total return	**25.0%**
Rating: **NEUTRAL**	
52-week price range: 3.70-5.55	



SCALES CORPORATION — Research: 11th June

A better-than-expected harvest drives FY25 guidance upgrade. SCL has upgraded FY25 earnings guidance with underlying NPATS (NPAT attributable to shareholders) now expected between $40m - $45m (+8% at midpoint) and underlying EBITDA guidance lifted to $97m - $104m (+4% at midpoint). The upgrade reflects strong apple yields - Mr Apple gross pick volumes were 4.6m TCEs with apple quality similar to prior years and pack out rates expected to be in line with the pcp (FY24: 79%). Total SCL apple export volumes are now expected c.+5-10% ahead of the 3.4m TCE target (c.3.6-3.7m TCE). Supporting Horticulture strength is robust demand for New Zealand apples, with early export data indicative of strong pricing, though SCL commentary suggests this is in line with original expectations.

2025 P/E: 14.7 2026 P/E: 13.3 2025 EPS: 31.4 2026 EPS: 34.6

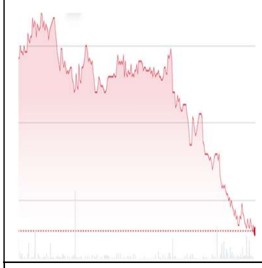
NZX Code:	**SCL**
Share Price:	**$4.82**
12mth Target:	↑ **$4.80**
Projected return (%)	
Capital gain	-0.4%
Dividend yield (Net)	4.1%
Total return	**3.7%**
Rating: **OVERWEIGHT**	
52-week price range: 3.27-4.99	

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:	**$4.70**
12mth Target:	**$5.30**
Projected return (%)	
Capital gain	12.8%
Dividend yield (Net)	4.6%
Total return	**17.4%**
Rating: **OVERWEIGHT**	
52-week price range: 3.70-5.49	

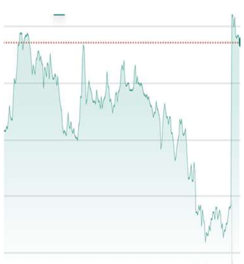


SKY CITY ENTERTAINMENT — Research: 9th June

SKC has taken legal action against FBU to claim extra compensation because the NZICC construction was delayed. The main legal issue seems to be whether FBU was negligent (careless).If SKC wins the case, they might be able to claim even more money to cover other company expenses or lost profits caused by the delay. Equally, if FBU proves they weren't negligent, then they've already paid the maximum amount they were required to under the contract, and they won't have to pay more.

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

NZX Code:	**SKC**
Share Price:	**$0.90**
12mth Target:	**$1.75**
Projected return (%)	
Capital gain	94.4%
Dividend yield (Net)	0.0%
Total return	**94.4%**
Rating: **OVERWEIGHT**	
52-week price range: 0.88-1.63	



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:	**$2.23**
12mth Target:	↓ **$3.00**
Projected return (%)	
Capital gain	34.5%
Dividend yield (Net)	4.2%
Total return	**38.7%**
Rating: **OVERWEIGHT**	
52-week price range: 1.28-2.31	

JARDEN'S NEW ZEALAND EQUITIES WATCH LIST AS AT 26TH JUNE 2025

NEW ZEALAND EQUITY WATCH LIST as at 26-June-2025		Jarden Rating	26-June Price	Monthly % Change	Annual % Change	12-month Target Price
AIA	Auckland International Airport	N	7.55	-2.71%	-1.74%	7.75
ATM	A2 Milk Company	O	8.45	-5.69%	18.29%	7.75
CEN	Contact Energy	B	8.94	-2.51%	3.88%	11.11
CHI	Channel Infrastructure	O	2.21	6.76%	58.58%	1.99
CNU	Chorus	U	8.38	4.42%	14.19%	8.17
EBO	Ebos Group	O	38.15	-1.04%	21.97%	41.50
FBU	Fletcher Building	B	2.87	-11.42%	2.47%	4.14
FPH	Fisher & Paykel Healthcare	N	36.40	1.67%	21.89%	34.50
FRW	Freightways	U	11.06	4.34%	50.00%	10.39
HGH	Heartland Group	N	0.78	-1.27%	-14.65%	1.15
IFT	Infratil	B	10.40	-5.26%	-4.14%	14.31
MCY	Mercury	O	6.09	1.00%	-4.98%	6.98
MEL	Meridian Energy	O	5.69	-0.78%	-8.71%	6.33
MFT	Mainfreight	O	67.00	1.32%	0.29%	71.00
NZX	NZX	O	1.49	-6.88%	43.93%	1.80
OCA	Oceania Healthcare	N	0.66	1.54%	26.92%	0.73
POT	Port of Tauranga	N	6.71	1.51%	41.74%	6.42
RYM	Ryman Healthcare	N	2.20	-11.29%	-36.09%	2.75
SCL	Scales Corporation	O	4.80	9.59%	42.58%	4.80
SKC	Sky City Entertainment Group	O	0.92	-5.15%	-34.29%	1.75
SKL	Skellerup	O	4.64	0.87%	24.57%	5.30
SPK	Spark	O	2.36	6.07%	-31.57%	2.80
SUM	Summerset Group Holdings	N	10.95	-2.23%	15.04%	12.30
THL	Tourism Holdings	NULL	2.21	55.63%	28.68%	NULL
SUM	Vector	O	4.16	1.46%	19.94%	4.61

XERO LIMITED (XRO.AX) Price: A$184.00

Target: A$207.00 Rating: Overweight

Xero's largest ever acquisition. Faith in management is required. Melio would represent Xero's largest ever acquisition (US$2.5bn/A$3.9bn, plus up to US$0.5bn/A$0.8bn earn-outs) and does not come without risk. With NZ$257m revenue (US$153m), a 19% gross margin (NZ$49m) and negative NZ$157m FCF in FY25, a lot needs to be done at face value to justify the price. However, Melio's momentum is strong: over the past two years, revenue has grown at an 88% CAGR (FY23 US$43m, FY25 US$153m) – and Xero has disclosed March 2025's annualised revenue was US$187m. Jarden's base case assumes US$228m (NZ$381m) Melio revenue in FY26E (+49% y/y), driven by subscriber growth (35k net adds to 115k), increasing to US$432m/NZ$718m by FY28E (42% 3yr CAGR, including NZ$65m revenue synergies). They also expect fixed cost leverage and revenue mix shift (including growth in higher margin subscription revenues and outperformance of syndication revenues) to drive significant gross margin expansion (from 19% in FY25 to c.50% by FY28E), driving a free cash flow outcome of NZ$83m by FY28E (FY25: NZ$154m loss) - noting this assumes synergies of NZ$95m.

Key financial metrics	2025A	2026E	2027E	2028E
Operating revenues (NZ$m)	2,102.7	2,639.6	3,527.9	4,211.2
Operating EBITDA (NZ$m)	**640.6**	**772.8**	**1,043.4**	**1,361.1**
Adjusted NPAT (NZ$m)	239.9	312.8	354.0	584.0
EPS normalised (NZc)	**155.1**	**188.7**	**205.6**	**336.4**
EPS growth (%)	16.4%	21.6%	8.9%	63.6%
EV/EBITDA (x)	39.1	40.9	30.3	23.3
P/E (x)	**109.6**	**112.0**	**103.1**	**63.0**
P/FCF (x)	58.1	-12.2	57.1	43.8
Gross yield (-)	-	-	-	-
Net yield (%)	**0.0%**	**0.0%**	**0.0%**	**0.8%**

Source: Company data, Jarden Research

JARDEN'S AUSTRALIAN WATCH LIST

AS AT 26TH JUNE 2025

AUSTRALIAN EQUITY WATCH LIST as at 26-June-2025		Jarden Rating	26-June Price (A$)	Monthly % Change	Annual % Change	Target Price (A$)
ALL.AU	Aristocrat Leisure	O	65.20	6.68%	32.11%	64.00
ALQ.AU	ALS	N	16.98	-3.74%	19.40%	14.60
ANZ.AU	ANZ Banking Group	O	29.74	3.77%	10.43%	30.00
BHP.AU	BHP Billiton*	N	36.12	-6.35%	-12.55%	41.91
CBA.AU	Commonwealth Bank of Australia	N	190.71	9.68%	55.21%	110.00
CSL.AU	CSL	O	239.98	-2.86%	-17.36%	317.61
CWY.AU	Cleanaway Waste Management	O	2.70	0.00%	-0.55%	3.10
IGO.AU	IGO	N	4.01	-5.87%	-28.71%	5.34
JHX.AU	James Hardie Industries	N	39.13	9.82%	-18.65%	42.00
MQG.AU	Macquarie Group*	O	215.97	4.23%	9.26%	200.00
NAB.AU	National Australia Bank	N	39.89	6.66%	15.00%	29.00
NXT.AU	NEXTDC*	O	14.34	9.80%	-18.57%	19.89
QBE.AU	QBE Insurance Group	B	23.33	0.34%	39.47%	24.60
RHC.AU	Ramsay Health Care	B	35.80	-1.10%	-21.48%	44.05
RIO.AU	Rio Tinto*	N	104.19	-9.57%	-8.94%	122.36
RMD.AU	Resmed	O	39.97	6.90%	45.85%	40.54
S32.AU	South32*	N	2.90	-4.92%	-18.88%	3.59
SEK.AU	Seek	B	23.86	0.46%	11.60%	29.00
TCL.AU	Transurban Group	N	14.07	-0.78%	16.62%	13.60
TLS.AU	Telstra Group	B	4.83	2.11%	39.68%	4.70
WDS.AU	Woodside Energy	O	23.85	11.92%	-9.08%	24.00
WES.AU	Wesfarmers	N	83.78	1.37%	33.05%	73.10
WOR.AU	Worley*	O	13.05	0.23%	-8.28%	17.31
WOW.AU	Woolworths	O	31.45	-1.38%	-3.43%	36.30
XRO.AU	Xero	O	184.00	1.69%	36.88%	207.00

JARDEN'S GLOBAL EQUITY WATCH LIST

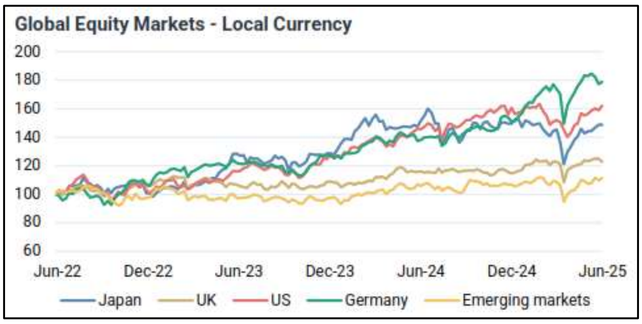
AS AT 26TH JUNE2025

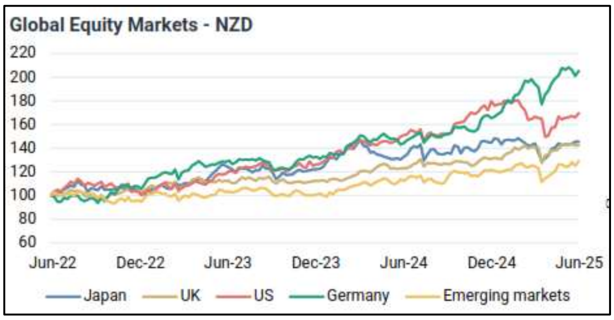
GLOBAL EQUITY WATCH LIST 26-June-2025		26-June-25 Price	Monthly % Change	Annual % Change	12-month Target
700.HK	Tencent Holdings	513.00	0.59%	34.29%	624.22
AAPL.US	Apple	201.56	3.22%	-5.48%	231.02
AMZN.US	Amazon	211.99	5.47%	9.49%	242.39
APH.US	Amphenol	97.02	13.41%	44.46%	93.62
APO.US	Apollo Global Management	137.73	5.24%	16.66%	157.31
ASML.NA	ASML	677.40	3.58%	-28.44%	772.20
AXP.US	American Express	308.59	8.19%	33.77%	294.48
BRK/B.US	Berkshire Hathaway	486.21	-3.43%	18.51%	538.00
CBOE.US	CBOE	230.40	-0.51%	35.53%	229.43
COP.US	ConocoPhillips	89.00	4.47%	-21.66%	114.60
GOOGL.US	Alphabet	170.68	1.31%	-7.18%	201.80
IBE.EU	Iberdrola	16.39	0.92%	39.59%	15.46
JPM.US	JPMorgan	284.06	8.96%	43.88%	274.83
LLY.US	Eli Lilly	792.30	11.01%	-12.09%	967.71
LULU.US	Lululemon	231.52	-25.50%	-24.04%	303.19
MA.US	MasterCard	549.70	-2.46%	21.51%	624.47
MC.FR	LVMH	437.55	-9.49%	-39.81%	582.34
MSFT.US	Microsoft	492.27	9.35%	8.87%	516.16
NVDA.US	NVIDIA	154.31	17.53%	22.08%	176.73
OR.FR	L'oreal	349.75	-6.50%	-20.08%	384.17
ORCL.US	Oracle	210.72	35.10%	52.44%	214.83
SU.FP	Schneider Electric	216.05	-2.28%	-4.91%	254.43
TSLA.US	Tesla	327.55	-3.47%	66.80%	293.78
UNH.US	United Health	302.02	2.18%	-37.60%	380.30
WMT.US	Walmart	97.26	0.95%	42.42%	110.03
Source: Thomson Reuters, Jarden.			Target Prices reflect consensus		

JARDEN'S INVESTMENT TRUST WATCH LIST

AS AT 26TH JUNE 2025

Ticker	INVESTMENT TRUST WATCH LIST as at 26-June-2025	Price £	Annual % Change	Ticker		Price £	Annual % Change
ATR	Schroder Asian Total Return	4.59	-0.43%	JEGI	JPM European Inv. Trust	1.19	13.88%
BGFD	Baillie Gifford Japan Trust	7.91	8.65%	JFJ	JPMorgan Japanese	6.38	19.70%
BNKR	Bankers Inv. Trust	1.18	4.23%	JGGI	JPM Global Growth	5.40	-6.41%
BRWM	Blackrock World Mining	5.26	-7.56%	MIDW	Mid Wynd International	7.34	-7.32%
CTY	City of London Investment Trust	4.88	15.66%	MNKS	Monks ITC	12.72	7.98%
IAD	Asia Dragon Trust	3.46	5.49%	NAIT	Nth American Inc. Trust	3.21	7.72%
ESCT	Euro Small Comp. Trust	2.06	15.45%	PCT	Polar Cap Tech	3.59	8.95%
FCIT	F&C Investment Trust	10.99	8.38%	RCP	RIT Cap Partners	19.16	5.39%
GSCT	Global Smaller Companies Trust	1.61	-0.12%	SDP	Schroder Asia Pacific	5.52	3.37%
HVPE	HarbourVest Global Private Eq.	25.70	4.90%	SMT	Scottish Mortgage Trust	10.23	15.15%
JAM	JPM American	10.08	1.00%	TEM	Templeton Emerg.	1.87	16.15%
JEDT	JPMorgan Eur Discovery Trust	5.54	20.70%	WWH	Worldwide Health	3.01	-16.30%

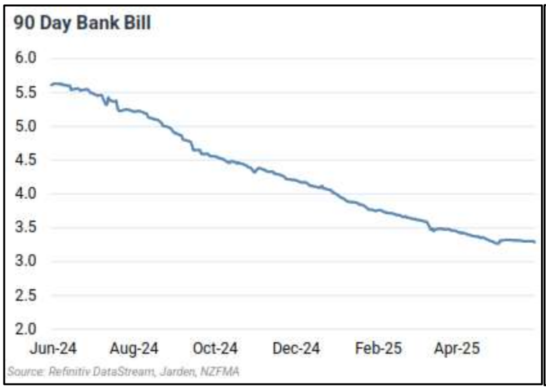


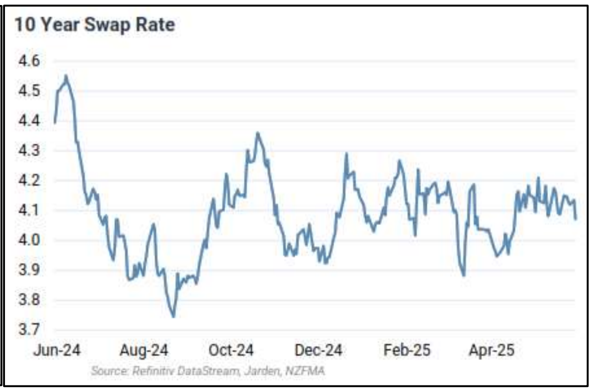


JARDEN'S FIXED INTEREST BONDS

AS AT 26TH JUNE 2025

Ticker	SECURITY	Credit Rating	Coupon Rate	Yield	Monthly Change	Maturity
AIA240	Auckland Airport	A-	3.29%	3.66	0.07	17-Nov-26
TRP100	Transpower NZ	AA	4.63%	3.73	0.49	16-Sept-27
CNU030	Chorus Limited	BBB	1.98%	4.00	0.32	2-Dec-27
IFT310	Infratil	Not rated	3.60%	5.85	0.44	15-Dec-27
ANB180	ANZ Bank New Zealand	AA-	5.22%	3.88	0.17	16-Feb-28
FBI220	Fletcher Building Industries	Not rated	6.50%	7.60	-1.98	15-Mar-28
KPG050	Kiwi Property Group	BBB+	2.85%	4.85	0.52	19-Jul-28
SBS020	Southland Building Society	BBB+	6.14%	4.67	-0.21	7-Mar-29
FCG060	Fonterra Co-Operative	A-	4.60%	4.33	0.34	8-Nov-29
SUM050	Summerset Group Holdings	Not rated	6.43%	5.18	0.41	8-Mar-30
MEL070	Meridian Energy	BBB+	5.40%	4.49	0.17	23-Mar-30
LGF170	NZ Local Govt Funding Agency	AAA	4.50%	4.10	0.40	15-May-30
LGF140	NZ Local Govt Funding Agency	AAA	2.25%	4.33	0.59	15-May-31
SPF600	Spark Finance	A-	5.45%	4.69	0.49	18-Sept-31
HYBRID	**SECURITY**	**Credit Rating**	**Coupon Rate**	**Price/ Yield**	**Monthly Change**	**Reset**
ANB170	ANZ Bank Subordinated Notes	A	3.00%	97.85	-0.28	17-Sept-26
IFTHA	Infratil Perpetual Infrastructure Bond	Not rated	5.51%	62.14	0.10	1-yr swap rate
KWB1T2	Kiwibank Subordinated Notes	BBB	2.36%	101.16	0.00	12-May-28
VCT110	Vector Perpetual Capital Bonds	BB+	6.40%	101.66	-0.04	15-Jun-27
WNZHA	Westpac Perpetual Preference Shares	BBB+	7.10%	104.64	1.20	-





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