Andrew von Dadelszen

Bay Brokers Limited

Ph: 07-578 7453 Mobile: 021-762 440 Email: andrew@vond.co.nz

INVESTMENT STRATEGIES

Volume 79

May 2023

LABOUR HAS KILLED THE NZ ECONOMY

In just five years, net core Crown debt to GDP has doubled to 36%, food prices have increased at the fastest pace in 30 years, the trade deficit is at 9% of GDP, benefit numbers are up by 50,000 and our health and education systems are in dire trouble. When we count our unfunded liabilities in superannuation and health, our country is bankrupt.

GOVT DEBT TO GDP MISLEADING

Last year, the Government restated - and reduced - NZ's headline net debt ratio by including the large assets (about $100bn) held by the NZ Superannuation Fund and other Crown entities.

This accounting trick significantly reduced NZ's Net Debt to GDP ratio by about 20% (for example, if our net debt ratio was previously shown as 30% it would now be 10%) and is misleading at best. NZ, like most nations, has massive unfunded liabilities in a number of areas including infrastructure, health, education and retirement, which do not appear in our debt calculations.

We need to reduce spin in our statistical data collection – it is plainly wrong.

VERSUS

MĀORI SOVEREIGNTY

One top of this, Labour has radicalised Māori, which has caused a huge backlash to this social justice "Woke BS" - in an extremely divisive way.

As a result of this divisiveness, centre New Zealand are likely to swing strongly to the right in the October election. Unfortunately, Māori will be the big loser because the Māori Party can no longer be trusted – with their stated objective being both self-determination (a separate Māori Parliament) and outright ownership of water (and much more).

WEBSITE:
vond.co.nz

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STATISTICS NZ DATA

Estimated population	at 9-May-23	**5,182,322**
Population:	1950: 1,911,608 2000: 3,855,266	
Māori population	June 2022 (17.4% of nat population)	**892,200**
Births less **Deaths**	Dec-22 year ↑	**20,400**
Net Migration	Feb-23yr (In: 152,900 ↑108% out: 100,900 ↑41%)	**52,000**
Annual GDP Growth	Dec-22 year	**2.4%**
Quarterly GDP	Dec-22 quarter	**-0.6%**
Inflation Rate (CPI)	March-23 year (Down from 7.2%)	**6.7%**
Grocery Food Inflation	April-23 year	**12.5%**
NZ Govt Debt	at 31-Dec-2022 CEIC Data	**US$84.4 bn**
Debt per person	(public+private) 2022 (↑9%yoy)	**$140,861**
Minimum Wage	(up $1.50 from 1st April 2023)	**$22.70**
Living wage	1-April-23	**$26.00**
Average hourly earning increase	Sept-22 ↑	**7.4%**
Annual Wage Inflation	Mar-23 Year ↑ (3.4% in Jun yr)	**4.3%**
Wages average per hour	Mar-23 qtr (↑7.4% yoy)	**$39.01**
Employment rate	Sept-22 qtr (↑0.8% since Jun-22)	**69.5%**
Unemployment	Mar-23 year	**3.4%**
Beneficiaries	(Job seeker/Solo/Supported living)	**345,417**
(11.0% of working-age population – down0.1%, as at 31-Mar-23)		
Jobseeker Support numbers	5.4% (Mar-18 118,753 4.0%)	**168,498**
Size of Māori Economy 2020	(2013: $42bn)	**$70 bn**
Size of NZ Economy	(NZ GDP) Mar-23 year	**$380 bn**

NZ50 INDEX – 1 YEAR

LOCAL ISSUES

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

LOCAL GOVT FUNDING HAS TO BE FIXED

In my last newsletter I wrote that Local Government is broken, and not because it is inefficient and ineffective, both of which (as a mass bureaucracy) it is. But because the funding model has both been insufficient, but also more importantly, corrupted by "pork-barrel politics". This needs to be a huge priority for the incoming Government come October.

Labour is using a "lack of funding" as a key reason to back "Three Waters". This is just more smoke – if you fix the funding model then Three Waters will look after itself, without a devious theft of local ratepayers money. This leads me to our three-day Regional Council tour of Waikato Regional Council at the end of April.

REGIONAL TOUR TO TAUPO & HAMILTON

We started our Regional Bus Tour by visiting what was a small whanau-based Māori enterprise "Tuaropaki" on the north-western side of Lake Taupo. In 1952 just 297 individual Māori owners united their lands through a Māori Affairs loan. This group of family members combined their land assets, and leveraged their geothermal potential, that today sees this enterprise worth more than $2 billion. There are now about 2,904 individual land holdings with 4,500 effective owners (average worth of $450,000 each), and on top of that they distribute $700,000 annually in educational grants and scholarships. That is on top of providing dividends to their landowners.

TUAROPAKI'S FIRST HYDROGEN FUELLED VEHICLE

What is so inspiring is that have done so of their own bat, without looking for government handouts. This proud group is truly inspirational, because they have long forgotten the "grievance industry" so synonymous with so many Māori enterprises, and instead said "Get out of our way, and we will thrive".

In 1994 this enterprise was worth just $7.4m. Today they use their geothermal assets to grow hothouse capsicums and tomatoes. They milk 1850 dairy cows and run a huge geothermal milk processing plant called Miraka. They are sustainability focused and use worm farming to process their waste. They even have a hydrogen plant, hoping to futureproof their transport needs, in a commitment to zero carbon.

MAUNGATAUTIRI MOUNTAIN SANCTUARY

After leaving Taupo we headed to Maungatautiri to look at this impressive ecological restoration project. Again, it was impressive, but the negative for me is the fact that local Iwi have used a co-governance model to marginalise the original farming funders.

Maungatautiri has 47km of pest-proof fencing and now boosts copious birdlife, including 2,000 kiwi. The original fence cost $14m.

WAIKATO REGIONAL COUNCIL

We then drove to Hamilton and met with our regional equivalent. Very valuable discussions ensued on matters of mutual interest. We all agreed that working collaboratively made absolute sense, rather than each organisation working independently.

TAINUI GROUP'S RUAKURA INLAND PORT

We visited this new facility being built at Ruakura and marvelled at the execution of such an ambitious project. It is interesting to note that Port of Tauranga and Maersk Shipping is heavily invested in this project.

TE HUIA: HAMILTON – AUCKLAND TRAIN SERVICE

Following the Ruakura visit we drove to Huntly and boarded the Te Huia rail service back to Hamilton.

All-in-all it was a very worthwhile 2½ days and was followed up with a Port of Tauranga visit.

IS NZTA PRICE GAUGING WITH TAURANGA TOLLS?

Tauranga Eastern Link			Takitimu Drive		
Financial year	Total number of light vehicles	Total number of heavy vehicles	Financial year	Total number of light vehicles	Total number of heavy vehicles
2015/16	2.27m	354,044	2015/16	2.05m	456,817
2016/17	2.95m	420,492	2016/17	2.78m	587,769
2017/18	3.27m	481,900	2017/18	3.20m	657,540
2018/19	3.46m	512,611	2018/19	3.66m	704,119
2019/20	3.25m	454,190	2019/20	3.48m	664,004
2020/21	3.70m	478,154	2020/21	4.12m	738,616
2021/22	3.39m	460,564	2021/22	3.84m	765,097

Over the past 6 years toll revenue from cars has increased 71.8% (12%pa) from the Takitimu Toll Road. For heavy trucks the increase is 56.7% (9.5%pa). I say, it is unacceptable for Waka Kotahi to increase the toll rate. We are already paying more than our share.

OUR POLITICAL CLIMATE

DON'T BE FOOLED BY SPIN OVER SUBSTANCE

The Three Waters rebrand to Affordable Waters remains the same divisive attempt by Labour to destroy our democratic foundations.

We don't need water reform to finance Local Government. The current structure for LG has already failed. Central Government continues to burden LG with increased rates to pay for "what is Central Government's responsibility".

We need a total restructure of the LF funding model, and Three Waters (or Affordable Waters – as Labour's spin doctors are trying to rebrand it) is a total red-herring.

I am currently looking at our rating base, in order to get a more equitable system. Government Departments and organisations exemption from paying rates is just one possible example to try to ensure a fairer rate base.

This Labour Government has made an art form of "pork barrel politics" and this has to be stopped. Don't be fooled by Labour's spin – Three Waters must go. We demand genuine democracy.

CURIA/TAXPAYERS' UNION MAY 2023 POLL				
	Vote	Change*	Seats	Change**
National	35.6%	(0.9%)	46	13
Labour	33.8%	(3.1%)	44	(21)
Act	12.7%	3.2%	16	6
Green	7.0%	0.3%	9	(1)
Māori	3.7%	0.8%	5	3
NZ First	2.6%	nc	-	-
Other	4.5%	(0.3%)	-	-

* Change from March ** Change since election

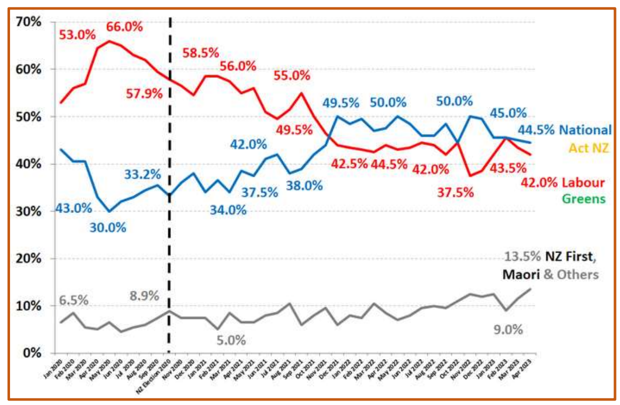
Polling Period: 2nd to 7th May2023

ROY MORGAN APRIL 2023 POLL				
Party	Vote	Change*	Seats	Change**
National	32.0%	nc	42	9
Labour	30.0%	(3.0%)	40	(25)
Act	12.5%	(0.5%)	16	6
Green	12.0%	1.5%	16	6
Māori	4.5%	2.5%	6	4
NZ FIRST	4.5%	1.5%	-	-
Opportunity (TOP)	2.0%	(1.5%)		
Democracy NZ	1.5%	nc	-	-

* Change from Feb ** Change since election

Polling Period: April 2023

ROY MORGAN: NZ PARTY VOTE: NZ GOVT v OPPOSITION



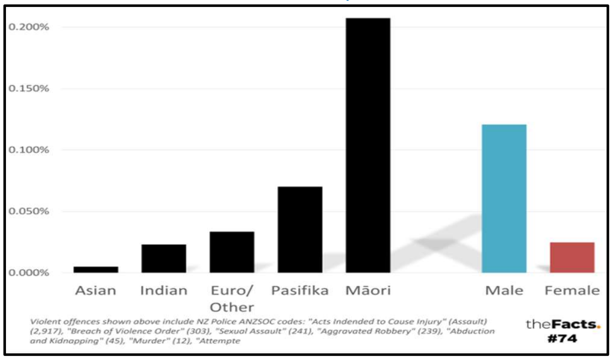
Hipkins, despite the wheels falling off within his Cabinet retains a strong lead in the preferred Prime Minister race, including net favourability, but the wheels are beginning to fall off. It certainly feels like it.

VANDALISM HITS HOME

Even I have been hit by senseless vandalism recently. Thankfully, Police figure printed my damaged Vespa and identified one of the perpetrators… but will our judicial service back up our great policing? Unlikely…Despite doing $1,700 worth of damage.

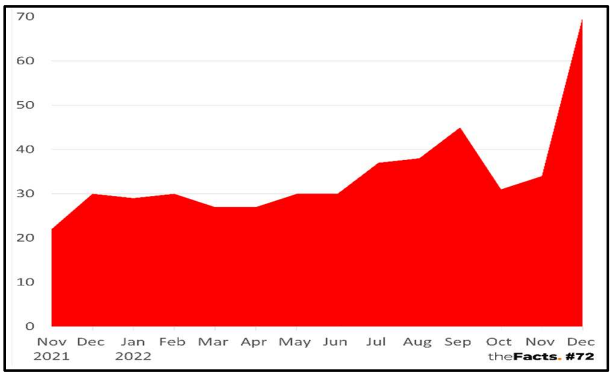
NZ VIOLENT CRIME PER CAPITA BY ETHNICITY & SEX

PROCEEDINGS OVER 3 MONTHS, DEC-22 TO FEB-23



This chart above from "The Facts" speaks for itself, in relation to Marama Davidson's claim that it is white CIS men responsible for violence in the world.

RETAIL CRIME: AGGRAVATED ROBBERIES IN 2022



THIS DATA CAME FROM AN OIA REQUEST:

- The OIA request was sent to the New Zealand Police on 29 November 2022.
- An extension was requested on 17 January 2023.
- A response was received on 28 February 2023. It didn't show all available retail crime data for all available months, only a) ram raid count and b) aggravated robberies count, and only for the 14 months between November 2021 and December 2022.
- Given the sudden increase in aggravated retail robberies in December 2022, and that this breakdown hasn't been published in media recently, we felt this was the most useful insight from the data received.
- We are working with the NZ Police to gain all retail crime data for all available periods.

DEFINITIONS FROM THE NZ POLICE WEBSITE:

- *"A **burglary** refers to entry or attempted entry into a building without permission with the intent to commit a crime."*
- *"A **robbery** refers to theft or attempted theft of property accompanied by force or the threat of violence to a person or property."*
- *"An **aggravated robbery** refers to a robbery that involved serious injury to someone, two or more people working together in a robbery, or a robbery where the offender had a weapon. A vehicle does not need to have been used to enter or attempt to enter the premises to constitute an aggravated robbery."*
- *"A **ram raid** is a burglary or robbery in which a vehicle has been used to enter, or attempt to enter, a premises."*

NOTE: Not all crime is reported.

2023 CENSUS ANOTHER HUGE FAILURE

Here's the return rates for the last few censuses:

1996: 95.6%

2001: 95.0%

2006: 94.8%

2013: 92.9%

2018: 83.3%

2023: 86.0% so far

> One-in-five people haven't completed their forms this year.
>
> For people of Māori and Pacific descent, that figure is two-in-five.

Anything under 90% is plainly unacceptable.

LABOUR CONTINUES TO JUSTIFY TAX GRAB

Revenue Minister David Parker was quick to pour cold water on the idea he was buttering up the electorate for a capital gains tax, after the release of two reports that showed the ultra-wealthy were paying tax at half the effective rate of ordinary Kiwis.

These reports show 311 of New Zealand's wealthiest paid 9.4% of their total incomes in tax, versus an average tax rate of 20.2% paid by middle-income Kiwis. Parker is softening NZers for more taxes and, perhaps, a capital gains tax.

National says that Labour is already taxing NZers $50bn per year more than when they came to office in 2017. Luxon argues to reduce the central government bureaucratic waste and then we can get back to lower taxes for all hard-working NZers.

The reports are based on faulty assumptions – they compare apples with pears. They compare actual income of middle-income earners to unrealised hypothetical capital gains of wealthy NZers.

It looks like Labour is setting us up to try again with a Capital Gains Tax, but not just on realised gains but on unrealised gains – which would be I think unique in the world.

The research also ignores the effect of inflation on assets. If an asset increased by 7% and inflation is 7% it is worth no more in real terms, but Parker argues that it should be taxed.

EDUCATION & HEALTH ARE BOTH HUGE LABOUR FAILURES

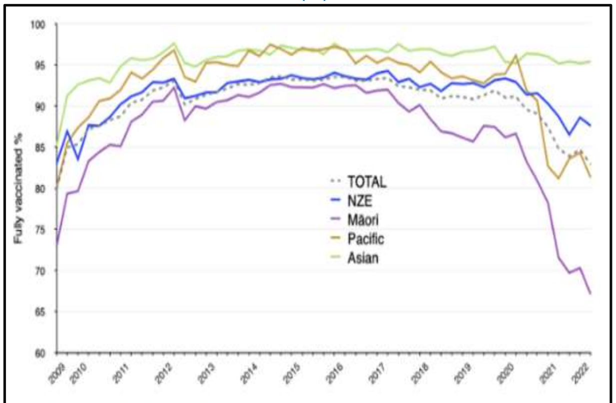
SOURCE: Ministry of Health data, Kiwiblog

We are breeding a generation (or more) of uneducated children who will never be able to hold down a "decent job" – in fact any job at all. We have bred a group that will forever rely on government handouts and crime to feed their idleness – FAILURE ONE.

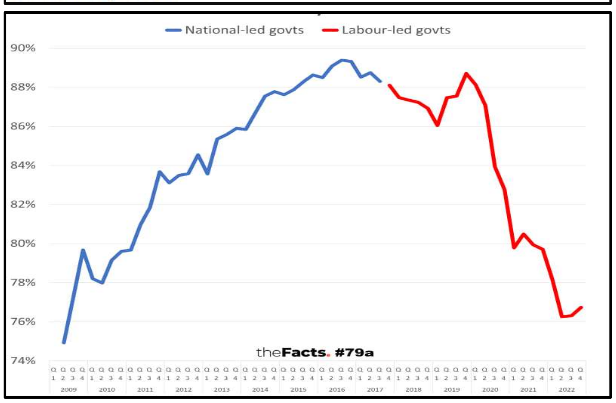
The Annual Immunisation rates of our children has a similar correlation, with a similar outcome.

ANNUAL IMMUNISATION RATES FOR CHILDREN

AGED 2 YEARS (%) BY ETHNICITY



Note: NZE = New Zealand European.
Source: Ministry of Health



The moment the Government changed and Labour abolished the BPS targets and health targets, the Māori rate for two year olds dropped from around 92% to 85% and since then has plummeted to just over 65%.

Public health people often say the barriers to vaccination are poverty and racism. But National showed that a competent Government can make a massive difference to immunisation rates. Under the last National led government, the Māori rate went up 20% and the decile 9/10 rate up round 15%.

DUNEDIN HOSPITAL – ANOTHER PROMISE FAILING

In 2017 Bill English committed National to building a new Dunedin Hospital, with completion between 2024 and 2027. Labour said that was too long and they promised that construction would begin no later than 2020 and be completed by 2023.

Radio NZ reports that the completion date has now been delayed to 2029, and on top of that many of the planned services have been scrapped due to cost over-runs (Budget blowout of $200m).

MINISTER KIRI ALLEN SERIOUSLY CONFLICTED

Labour's Justice Minister Kiri Allan has once again shown lack of judgement.

On being appointed a Minister she should have declared a "conflict of interest" in that the Human Rights Commissioner Meng Foon funded her 2020 campaign with $10,685 worth of both in kind ($9,185 in a free campaign office, as well as $1,500 as a cash contribution). An individual is entitled to make this funding, but Meng Foon, as a Crown appointee from the Justice Minister, should never have made any campaign funding, and Minister Allan, once she was made a Minister, should have immediately declared her "conflict". Neither happened.

A key role for the Human Rights Commission is to be independent of the Government and to hold it to account on its human rights record – including on race relations.

Foon also donated $1,000 to National Party candidate Tania Tapsell's campaign in the same year.

When first questioned by the media in April, Minister Allan had said: "*I didn't take any monetary donations from Meng Foon*."

A company called Triple Eight Investments Limited also provided Kiri Allan a rent subsidy worth $9,185 according to the declaration.

Triple Eight Investments has three directors, including Meng and Ying Foon. "*The in-kind donation I referred to was from a company that the Foons were directors of, for a rent subsidy on a campaign office space.*

"This was a campaign office, not an electorate office, and no parliamentary funds were used," Allan said in her statement.

This is incredibly bad judgement from Meng Foon. Once he was appointed a Human Rights Commissioner, he should not have been donating money to any MPs election campaigns.

Foon donated over $10,000 to Kiri Allan, who is now the Minister responsible for deciding if he gets reappointed, and $1,000 to National's Tania Tapsell. Both donations were inappropriate, but the Allan one especially has now created a significant conflict of interest. Any hope of Meng Foon being reappointed now looks extremely unlikely.

LABOUR'S IMMIGRATION U-TURN

After months of concern that Labour's tough immigration rules were squeezing the economy, the policy has been relaxed to the point that, suddenly, migration is smashing records.

The net migration gain of 11,700 in February this year was the second highest for any month ever, (behind February 2020 which had a net migration gain of 14,600 ... and was completely distorted by the onset of Covid-19), according to the latest Stats NZ data.

The February result was driven by a record number of arrivals on work visas, Stats NZ said.

It took our provisional annual net migration gain to 52,000 - made up of a net loss of 17,300 New Zealand citizens, which was more than offset by a net gain of 69,300 non-New Zealand citizens.

That's getting back to John Key-era migration gains - when the nation was gaining around 60,000 people a year. The annual gain of 52,000 actually understates recent strength, Westpac senior economist Michael Gordon has pointed out.

If our net migration rate across the past four months was annualised we'd be looking at a net migration gain of around 100,000 for the year - an unprecedented number.

It is hard to think of a bigger policy turnaround, by the same political regime, in living memory.

These big arrival numbers ought to silence some of the concerns business groups have had about government immigration policy.

I have no problem with admitting a failure in policy, but it has been the hugely delayed decision-making that is my biggest issue.

To recap, in the 2017 election campaign, both NZ First and Labour made capital out of the stress elevated immigration levels were putting on the economy.

Labour wanted numbers cut by 20–30,000 a year. NZ First targeted a net migration figure of just 10,000.

THREE STRIKES AGAINST DAVID PARKER'S RMA REFORMS

SOURCE: Roger Partridge, Stuff, Apr 02 2023

It is no wonder submitters have warned that Parker's new laws will be worse than the Resource Management Act he wants to repeal. That is some achievement.

Roger Partridge is chairperson and a co-founder of The New Zealand Initiative.

OPINION: Last month, Environment Minister David Parker's Resource Management Act reforms will be consigned to the dustbin of history. Provided, that is, Prime Minister Chris Hipkins is listening.

Three extraordinary interventions during March point to the reform's inevitable demise.

The first occurred at the start of the month. Chief Justice Helen Winkelman took the highly unusual step of publicly warning, in a submission to the Environment Select Committee, that Parker's reforms would disrupt the courts.

The chief justice cautioned "extensive litigation" would follow the reforms and overburden the courts.

By constitutional convention, the judiciary should not be seen to interfere with parliamentary law-making. However, the convention has a narrow exception. The judiciary may express concerns relating to proposed legislation that directly affects the operation of the courts, the administration of justice or the rule of law.

Against this background, the chief justice's intervention is sobering.

Submitters before the environment select committee, including the New Zealand Initiative, repeatedly pointed to the vague language, the lack of coherence and the unworkability of Parker's Resource Management Act (RMA) reform proposals.

The high threshold required for the chief justice's intervention means the judiciary shares those concerns. And that they are so serious they will adversely affect the administration of justice. Strike one against Parker's reforms.

Strike two came from environment commissioner Simon Upton.

Upton is well versed in planning law bungles. After all, it was Upton who, as the Bolger government's environment minister, delivered the RMA into law in 1991.

NORTHLAND WILL BE AN INTERESTING ELECTORATE TO WATCH IN OCTOBER'S ELECTION

The Herald has reported that NZ First will try to claw its way back into Parliament by running a "two-tick" campaign in Northland through veteran MP Shane Jones. The party tumbled out of Parliament in 2020, when Jones was also running a two-tick campaign in the seat. He came third, more than 10,000 votes behind National's Matt King. Labour's Willow-Jean Prime won the seat – but narrowly.

THERE WILL BE FIVE CREDIBLE CANDIDATES IN NORTHLAND:

- **National's Grant McCallum**, a long-term National activist and local farmer.
- **Labour's Willow-Jane Prime**, just promoted into Cabinet.
- **Democracy NZ's Matt King**, who leads the new party and is the former National MP who won it off Winston in 2017.
- **NZ First's Shane Jones**, a big mouth but with a poor track record.
- **ACT's Mark Cameron**, a list MP and local farmer.

It is possible that someone could win the seat with as little as 25% of the vote. Definitely a seat to watch.

EVERYONE EARNING UNDER $300K PAYS LESS INCOME TAX IN AUSTRALIA

SOURCE: Kiwiblog, 28-Apr-23

Next year the Labor Government in Australia is continuing with the tax cuts legislated by the previous Government. This lowers the marginal tax rate on all income up to $200,000 to a maximum of 30%.

	NZ	Aust
$ 10,000	11%	0%
$ 20,000	13%	2%
$ 30,000	14%	7%
$ 40,000	15%	10%
$ 50,000	16%	13%
$ 60,000	18%	16%
$ 70,000	20%	18%
$ 80,000	22%	19%
$ 90,000	23%	21%
$ 100,000	24%	22%
$ 110,000	25%	22%
$ 120,000	25%	23%
$ 130,000	26%	24%
$ 140,000	27%	24%
$ 150,000	27%	24%
$ 160,000	27%	25%
$ 170,000	28%	25%
$ 180,000	28%	25%
$ 190,000	29%	26%
$ 200,000	29%	26%
$ 210,000	30%	27%
$ 220,000	30%	28%
$ 230,000	30%	28%
$ 240,000	31%	29%
$ 250,000	31%	30%
$ 260,000	31%	30%
$ 270,000	32%	31%
$ 280,000	32%	31%
$ 290,000	32%	32%
$ 300,000	32%	32%

Income	NZ	Aust	Extra tax NZ
$ 10,000	$ 1,050	$ -	$ 1,050
$ 20,000	$ 2,520	$ 342	$ 2,178
$ 30,000	$ 4,270	$ 2,242	$ 2,028
$ 40,000	$ 6,020	$ 4,142	$ 1,878
$ 50,000	$ 8,020	$ 6,592	$ 1,428
$ 60,000	$ 11,020	$ 9,592	$ 1,428
$ 70,000	$ 14,020	$ 12,592	$ 1,428
$ 80,000	$ 17,320	$ 15,592	$ 1,728
$ 90,000	$ 20,620	$ 18,592	$ 2,028
$ 100,000	$ 23,920	$ 21,592	$ 2,328
$ 110,000	$ 27,220	$ 24,592	$ 2,628
$ 120,000	$ 30,520	$ 27,592	$ 2,928
$ 130,000	$ 33,820	$ 30,592	$ 3,228
$ 140,000	$ 37,120	$ 33,592	$ 3,528
$ 150,000	$ 40,420	$ 36,592	$ 3,828
$ 160,000	$ 43,720	$ 39,592	$ 4,128
$ 170,000	$ 47,020	$ 42,592	$ 4,428
$ 180,000	$ 50,320	$ 45,592	$ 4,728
$ 190,000	$ 54,220	$ 48,592	$ 5,628
$ 200,000	$ 58,120	$ 51,592	$ 6,528
$ 210,000	$ 62,020	$ 56,092	$ 5,928
$ 220,000	$ 65,920	$ 60,592	$ 5,328
$ 230,000	$ 69,820	$ 65,092	$ 4,728
$ 240,000	$ 73,720	$ 69,592	$ 4,128
$ 250,000	$ 77,620	$ 74,092	$ 3,528
$ 260,000	$ 81,520	$ 78,592	$ 2,928
$ 270,000	$ 85,420	$ 83,092	$ 2,328
$ 280,000	$ 89,320	$ 87,592	$ 1,728
$ 290,000	$ 93,220	$ 92,092	$ 1,128
$ 300,000	$ 97,120	$ 96,592	$ 528

Once implemented, 99% of New Zealanders will be paying more income tax than someone on the same salary in Australia.

So, someone on $120,000 is paying an extra $60 a week tax in NZ compared to Australia. Only if you earn over $300,000 a year do you start to pay more income tax in Australia.

This shows the average tax rate on the level of income. At $40,000 you pay 15% in NZ compared to 10% in Australia. At $80,000 you pay 22% in NZ vs 19% in Australia.

But it gets even worse than that because GST in Australia is lower also. The difference in after tax income (so income less income tax and average GST paid) is $63 a week for someone on $50,000, $109 a week for someone on $100,000 and $165 a week for someone on $150,000. For someone on $200,000 they are paying $241 a week less income tax and GST in Australia.

Labour will soon try and push for an increase in our top tax rate from 39% to 45%, on the basis that Australia has that as their top tax rate. But that is ignoring all the tax rates below it. Someone on $200,000 in NZ is already paying $241 a week more tax (including GST) than someone in Australia.

In NZ, someone on $200,000 pays $58,120 in income tax compared to $51,592 next year in Australia. The GST rate of 15% is 50% higher than the Australian rate of 10% and is more broad-based than in Australia. So, the overall impact is a "rich prick" on $200,000 is paying way much more tax already in NZ.

It probably isn't until you are earning around $650,000 than you pay more income tax and GST in Australia than you do in New Zealand.

Once the tax rate for income between $45,000 and $200,000 in Australia drops to 30%, I expect to see even more Kiwis moving to Australia.

STEVEN JOYCE: DON'T NEED A WEATHERMAN TO FEEL THESE WINDS

SOURCE: NZ Herald, 6-May-23

It's nearly Budget time in an election year. The Finance Minister looks out the Beehive windows and sees darkening economic skies. The country's economy is becalmed. There is every chance it is already in recession, ahead of a predicted slowdown in the rest of the world. The Reserve Bank is continuing to lift interest rates in an attempt to cut off persistent inflation.

The balance of payments has blown out to record levels, a sure sign the country is living beyond its means. The Government has lifted its spending dramatically over recent years but it doesn't seem to be improving public services. The public are getting restless as their after-tax incomes are squeezed. The ratings agencies are just starting to get nervous.

That picture would be familiar to our current Finance Minister Grant Robertson. It's actually a description of New Zealand's economic outlook in 2008, just before Robertson's Labour predecessor Michael Cullen handed down what proved to be his final Budget.

In 2008 we were in recession by the time Cullen delivered the Budget speech. He just didn't know it. The golden weather had come to an end, and the huge increases in spending over recent years were looking unsustainable.

Inflation wasn't as high as it is now, but it had spiked up rapidly to 5 per cent. The balance of payments deficit, while it had blown right out, was not quite as big as it is now. Just like Robertson, Cullen hated reducing taxation. He preferred to let bracket creep steadily increase the tax take so he could spend more of the public's hard-earned money.

He relented in 2005, offering a derisory level of tax reductions in what became known as the chewing gum Budget. Those were cancelled after the 2005 election in a fit of pique, and he finally offered tax cuts again in 2008. By then the public had been squeezed enough.

In Robertson's case, he's never vacillated on tax. He legislated to cancel the previous National Government's plan to address bracket creep for middle income-earners immediately after the new Government was formed in 2017.

He whacked on a tax hike for top income earners at the same time. The whole country knows that if he had his druthers, he'd be introducing a capital gains tax now, and probably a cyclone levy for good measure.

There are some differences between 2008 and 2023. It took Cullen nine years to grow government expenditure at the same rate Grant Robertson has managed in six. Some of Robertson's spending was warranted because of Covid, but it should have been time-limited and it hasn't been. Thanks to Cullen's conservative financial stewardship in the Clark Government's first five years, the Government had effectively no debt.

This contrasts with Robertson racking up net Crown debt from 17% of GDP to nearly 30% over five years, or 36% before he changed the measure to make it look smaller.

The Covid border closures mean the labour market is so tight that this Labour Government has been able to push up wage inflation much more aggressively than its predecessor would have been able to without causing substantial unemployment, at least not yet. This has helped make the inflation spike higher than it otherwise would be.

Of course, in 2008 inflation ended when the world entered the Global Financial Crisis. There is no sign of another GFC now — just the odd bank falling over in the US and Europe due to the giddy U-turn in the monetary stance of central banks from the height of the pandemic to now.

So what does the Government need to do in its Budget in just 12 days' time to avoid meeting the fate of its 2008 forerunner? To my mind there are about five things.

First, it must meet the recovery needs of the folks in Hawke's Bay, Gisborne, Coromandel and Auckland affected by the recent storms. They have been waiting very patiently for the Government to get its act together and unveil a plan.

In this context, the Budget will need to be about more than just writing a cheque. It will need a detailed programme of delivery or, given the Government's record, cynicism will abound.

Second, it must find a way to improve basic services like health, education, and now transport, without feeding inflation. That means initiatives that fund for performance, not business as usual. And it must be accompanied by an entreaty for moderation in pay rises, or we will ratchet up inflation further.

It will need to find a way to ease inflationary pressures on the squeezed middle. That suggests tax threshold changes, importantly matched by the Government reining in its spending so that tax relief is more than neutral from an inflationary perspective. Ministers also have to hope the public forgives them for being so steadfastly against tax relief while the tax take ballooned in the past six years.

Fourth, it will need to have a real plan for economic growth so New Zealand can start to make inroads into that record balance of payments deficit. This will be tricky as it will go against every regulatory bone in ministers' collective bodies.

And last, the Budget will need to show a plan not just to come into balance, but actually reduce government debt.

ANDREA VANCE: NATIONAL PARTY LEADER CHRISTOPHER LUXON IS KEEPING THE FAITH

SOURCE: The Post, 29-April-23, & Stuff, 29-April-23.

Vance writes: "*He's clever, warm, amiable – and if he really wants to win, the public needs to see more of this side of him. It's a shame that his true nature is dulled by the corporate buzzwords and slogans he uses like a crutch*."

From her Stuff profile, she also writes: "*Before long, he began collecting awards (2013 Business Leader of the Year, 2015 CEO of the year, and the Peter Blake Leader award) – and speculation about his future*."

"*Luxon's public persona is so inoffensively bland and one-dimensional that his charm comes as quite a surprise. 'He's actually really nice' is a common thing to hear from those who've just met him."*
He wasn't just a CEO - He is and was one of the best in New Zealand, and being a great CEO is about strong leadership.

Describing his parenting style, Luxon comments: "*Amanda and I have always had a model. From 0-5 (years) we're caretakers, 5-12 we're cops, 12-18 we're coaches and 18 plus we're consultants*."

Pressed for more, Vance states that he offers a deeper, longish explanation of his study of more successful small economies (Denmark, Ireland, Israel, Singapore and Switzerland), and his admiration for the thinking of Auschwitz survivor Viktor Frankl.

"*He wrote a book called* Man's Search for Meaning. *I used to make it compulsory reading for anyone joining Air New Zealand. It was basically a commentary on Western Civilization*," Luxon said.

The psychiatrist's central themes are around purposeful work. "*I could have made another $100 million a year out of Air New Zealand*," Luxon says. "*But that [drive for profit] would sacrifice a whole bunch of [other] things. And I thought I could do things as a CEO, that would actually make life better for my 12,500 people and their families*."

Labour strategists are purposely trying to portray Luxon as a heartless right winger; a draconian moral conservative. The reality is so different. This guy is a big thinker. A questioner who makes you feel important. He is super smart, and people will see New Zealanders will see the "true" Christopher Luxon as we head into the campaign proper.

LUXON RULES OUT WORKING WITH TE PĀTI MĀORI POST-ELECTION

He believes the Māori Party has a "separatist agenda"

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX

UNITED STATES
Democrats continue to give Trump media oxygen

EUROPE
Europe is increasing defence spending exponentially

INDIA
India passes China in population
We still have no Free Trade deal

AUSTRALIA
Australian economy well entrenched

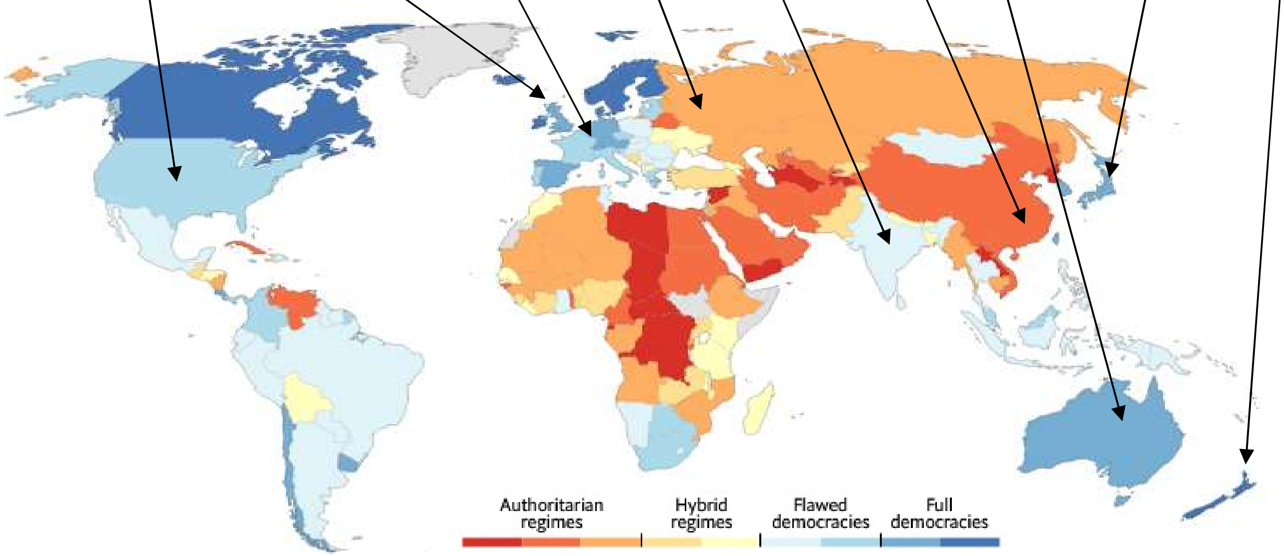
NEW ZEALAND
Hipkins is losing his gloss.
Luxon is learning to be a politician

UNITED KINGDOM
Coronation a huge success
And free trade deal for NZ a big win

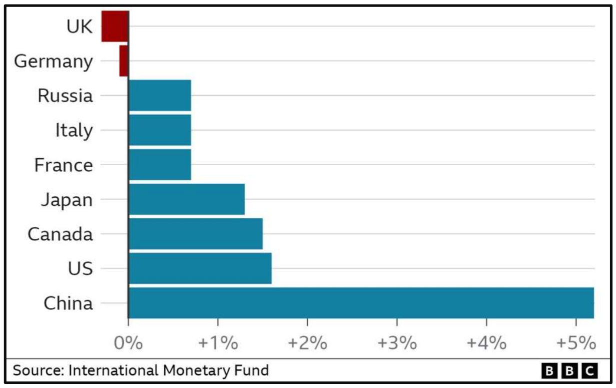
RUSSIA
Putin is looking increasingly desperate in Ukraine

CHINA
NZ needs to diversify away from export reliance

JAPAN
After decades of stagflation, wages in Japan are finally rising



IMF GROWTH FORECASTS FOR 2023



New IMF forecasts come against the backdrop of a world economy that continues to recover from both the pandemic and the Ukraine war energy shock.

But the IMF said there were concerns about the wider impact of recent fragility in global banking markets.

The IMF now expects global growth to fall from 3.4% in 2022 to 2.8% in 2023, before rising slowly and settling at 3% in five years' time. But it warned that if there is more stress in the financial sector, global growth could weaken further this year.

INTEREST RATES PREDICTED TO FALL

Separately, the IMF said it expects real interest rates - which take into account inflation - in major economies to fall to pre-pandemic levels because of low productivity and ageing populations.

Central banks in the UK, the US, Europe and other nations have been increasing interest rates to combat the rate of price rises, otherwise known as inflation.

In the UK, inflation is at its highest for nearly 40 years because of rising energy prices and soaring food costs. In response, the Bank of England has been raising interest rates, and last month increased them to 4.25%.

However, in a blog the IMF said that "recent increases in real interest rates are likely to be temporary".

THE WORLD ORDER AS WE KNOW IT HAS CHANGED

Countries across the world are "bolstering military strength in response to a deteriorating security environment", recognising that the Russian invasion of a sovereign country (Ukraine) has been a "game changer" after 70 years of relative stability and peace in Europe.

We are clearly past "Peak Globalisation", and the US Dollar based system is under stress. "Just in time" inventory systems have also begun to fail, initially brought on by the massive eruption of Iceland's volcano affecting air services. The Covid crisis just added increased pain to the logistics industries.

UNCERTAINTY NOW REIGNS

The 3 pillars of globalisation are under threat. The IMF (the US dominated financial system) is under pressure, as is the World Bank. And the United Nations (which cemented strong trade relationships) is becoming increasingly ineffective.

THE GROWING MILITARY

Global military expenditure rose to US$2.4trn in 2022, increasing by 3.7% year-on-year to hit a record high. Europe accounts for the greatest increase in expenditure (13%), according to the Stockholm International Peace Research Institute (Sipri), with this "boom" in military spending a "sign of a nervous world with dictators on the march. This can largely be attributed to the "two-headed threat" of China and Russia.

Most of the rise in Europe was "linked to Russia and Ukraine", with countries stepping up spending plans "*in response to perceived Russian threats*". There are also "tensions in East Asia" over Taiwan, which China considers part of its territory.

Also fuelling spending is tension over the "self-ruled island of Taiwan", which China lays claim to in addition to "almost all of the South China Sea". This is a "major maritime trading route", sections of which are also contested by countries including the Philippines, Vietnam and Malaysia.

China and Japan are also "embroiled in a dispute" over the Senkaku or Diaoyu Islands, while Japan is also engaged in a "long-running" disagreement with Russia over the Northern Territories northeast of Hokkaido, which were seized by the Soviet Union after the Second World War.

WHO ARE THE BIGGEST MILITARY SPENDERS?

The US, China and Russia account for 56% of defence spending in the world. America "remains by far the world's biggest military spender", according to The Guardian, committing US$877bn (39% of the world total) in 2022. Much of this was due to military aid to Ukraine amounting to US$19.9bn.

What has caused military spending to increase?

The rise in military spending in central and western Europe to US$345bn, which was 30% higher than in 2013, comes following Russia's declaration of war on Ukraine. This invasion "had an immediate impact" on spending decisions in Europe. The moves "spread alarm among other countries that neighbour Russia". Finland has joined NATO as a result of this Russian aggression, and Sweden – "which has avoided military alliances for more than 200 years" – is also keen to become part of the bloc.

China follows in second, investing roughly US$292bn – "4.2% more than in 2021 and 63% more than in 2013", according to The Guardian. Russia grew its military spending by 9.2% to US$86.4bn, and India spent US$81.4bn, which is 47% more than in 2013 and reflects "continuing border tensions with both China and Pakistan", the paper said.

Ukraine was the world's 11th biggest spender, and its 640% rise to US$44bn was "the highest single-year increase in a country's military expenditure ever recorded", said Al Jazeera. Its military burden – representing 34% of its GDP, up from 3.2% in 2021 – was also "by far the largest of any country", The Guardian added.

Beyond Ukraine, many countries near Russia also saw sharp spending increases, including Finland (36%), Lithuania (27%), Sweden (12%) and Poland (11%). Expenditure in central and western Europe, meanwhile, was "at levels not seen since 1989", which was the last year of the Cold War, the WSJ said. The paper added that it was a "pity" that "it took a land war on the European continent" to persuade NATO members to spend more on military power.

Will military spending continue to rise?

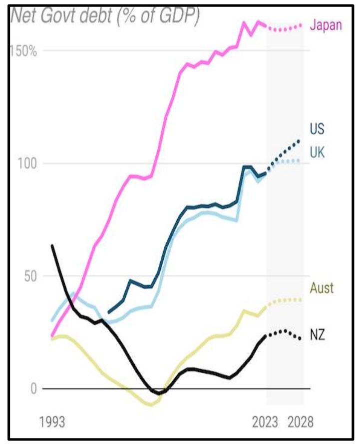
Although real-term military spending has reached a record high, there is every indication this trend will continue. This is in light of the "deteriorating security environment" which nation states do not see improving in the near future". Last year was also "likely to prove to be just the start of mass rearmament", according to Dr Diego Lopes da Silva, a fellow senior researcher with Sipri. "Australia and others promise to spend more in the coming years" too, added WSJ, which includes a landmark deal for Sydney to acquire "nuclear-powered submarines".

The Wall Street Journal is also urging the US to spend more for "lots of reasons", including the notion that China's US$292bn is "the tip of an iceberg". The nation's "'military-civil fusion' policy obliterates the distinction between public and private spending", WSJ explained, with China "in any crisis" able to take command of civilian fishing fleets and commercial AI.

NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.13 million

The rise in Government Debt



New Zealand's Government Debt looks reasonable, when we look at this graph. The problem is two fold.

Firstly, NZ is a small country at the bottom of the world and is considered "a price taker" when it comes to international finance. We don't have the "strength of size" to protect ourselves from global influences.

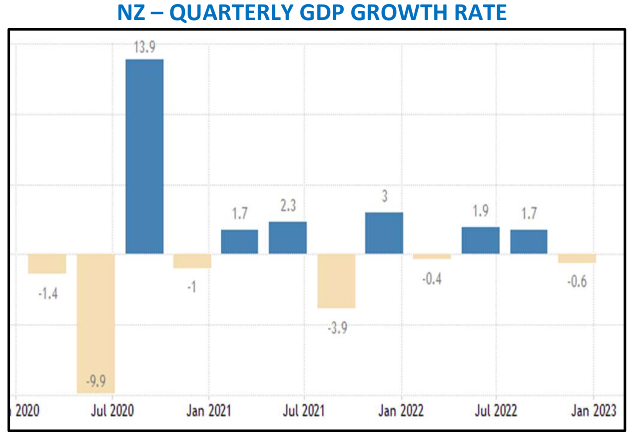
Secondly, our current Labour Government spindoctors, under Grant Robertson's instructions, changed the metrics by which our government debt is calculated. This immediately shaved at least 6% off the "official government debt" figure and, like many other statistical metric manipulations, makes genuine comparisons between countries very difficult.

Official Cash Rate

Kiwibank economists say they expect to see the Reserve Bank (RBNZ) cutting the Official Cash Rate by November as the economy heads into recession. Kiwibank is sticking to the market consensus that the RBNZ will deliver one more 25 basis point hike next month. But they argue that it is not actually needed and may push the economy into a bigger than-necessary slump.

"*We're confident we've seen the peak in inflation, with the annual rate comfortably below 7%,*" Kiwibank's Chief Economist Kerr said in a recent report. "*We should see the final RBNZ rate hike in May. Although it's not needed.*"

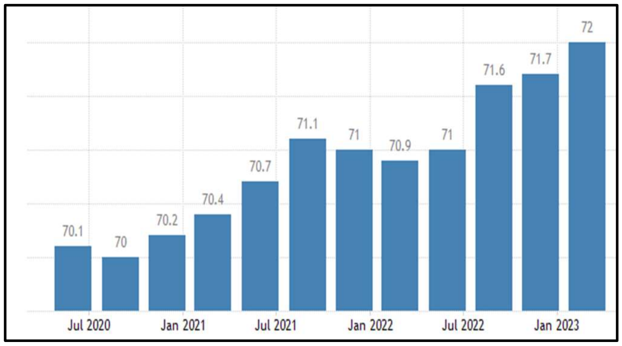
NZ – QUARTERLY GDP GROWTH RATE



New Zealand's economy contracted by 0.6% on qtr in the three months to December 2022, following a 1.7% gain in the previous period and missing estimates of a

0.2% contraction. It marked the first contraction since the first quarter of 2022 and the sharpest one since the third quarter of 2021. The primary industries shrank by 1.3% led by a slowdown in agriculture, forestry, and fishing (-1.6%). Also, goods-production sectors contracted by 0.3%, mostly due to a decline in manufacturing, down 1.9%.

NZ LABOUR FORCE PARTICIPATION RATE



The Labour Force Participation rate has made stead progress, despite the effects of the Covid pandemic.

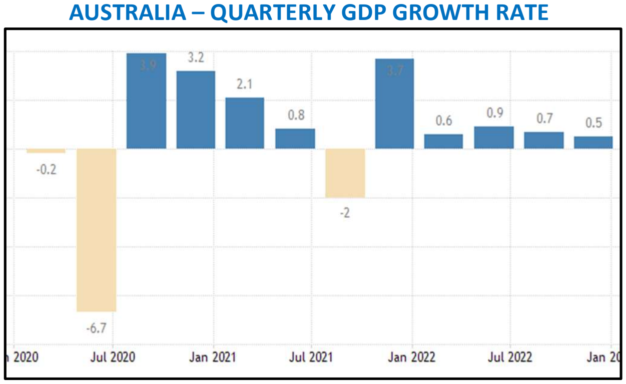
It increased to 7% in the first quarter of 2023, hitting a fresh record high of all time, following 71.7% in the fourth quarter of 2022. The problem that I have is that I'm not sure that we are comparing "apples with apples". That said, 2020 to 2023 should be data from the same base – but can we believe Labour's "spin doctors" in this time of mass disinformation.

AUSTRALIAN ECONOMIC OUTLOOK

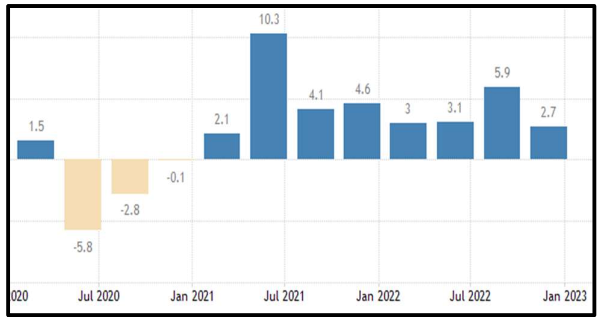
POPULATION: 26.23 MILLION

The Australian economy expanded 0.5% qoq in Q4 of 2022, less than market forecasts of a 0.8% increase, and after an upwardly revised 0.7% rise in Q3. This was the fifth consecutive period of economic growth but the softest pace in the sequence, as household consumption advanced the least in five quarters (0.3%% vs 1.0% in Q3) due to intense cost pressures and elevated interest rates. The household savings ratio fell to 4.5%, the lowest since Q3 of 2017, from the previous 7.1%. Meanwhile, private investment decreased (-1.7% vs 1.2%), dragged by non-dwelling & dwelling, ownership transfer costs, and machinery & equipment.

AUSTRALIA – QUARTERLY GDP GROWTH RATE



AUSTRALIA – ANNUAL GDP GROWTH RATE



IS THE WORST OF THE HOUSE PRICE DOWNTURN OVER?

It appears so but with rates higher for longer, downside remains. National house prices rose for the second month in a row, up 0.5% m/m (albeit flat in SA terms) and -8% y/y, with Sydney registering the largest gain of 1.3% m/m. Despite a 30% fall in borrowing capacity still flowing through to households recent data suggests the worst of the house price downturn is over. Indeed, national auction clearance rates held at an above-average 65% for the third month in a row and surveys show a massive 43% increase in consumer house price expectations since Nov-22.

UNITED STATES ECONOMIC OUTLOOK

POPULATION: 336 MILLION

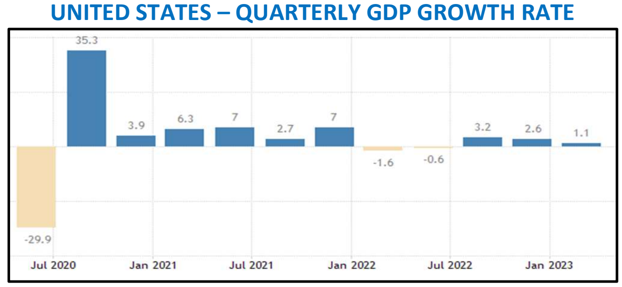
It is predicted that there are at least a further 10.3m undocumented (illegal) migrants in the US currently.

US ECONOMY

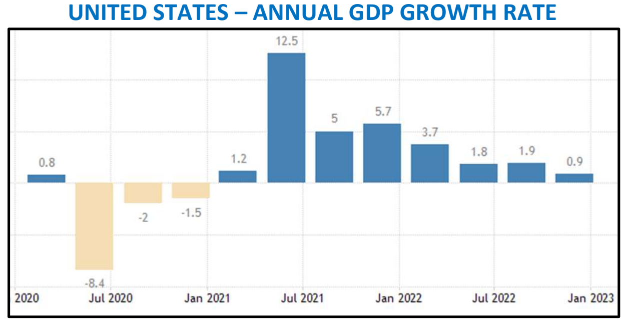
The US economy grew by an annualized 1.1% in Q1 2023, slowing from a 2.6% expansion in the previous quarter and missing market expectations of a 2% growth, a preliminary estimate showed. It was the weakest pace of expansion since Q2 2022, as business investment growth slowed down, inventories declined and rising interest rates continued to hurt the housing market.

April Inflation was just 4.9%pa – a great result.

UNITED STATES – QUARTERLY GDP GROWTH RATE



UNITED STATES – ANNUAL GDP GROWTH RATE



Berkshire Hathaway's AGM didn't disappoint

In a marathon five hour Q&A session weighing in on everything from the stability of the US banking system to the growing risks associated with commercial property, Warren Buffett and Charlie Munger both forecast lower year-over-year earnings as economic activity slows. But the biggest problem they highlighted is finding value in stocks. Berkshire Hathaway sold billions of dollars worth of stock and invested very little in US equities in the first three months of the year, a signal the famed investors see little appeal in a market they deem remains both volatile and overvalued. Berkshire disclosed that it had sold shares worth more than US$13b in the first quarter, but its purchases were only a fraction of that figure. Instead, it put US$4.4b towards buying back its own stock, and just US$2.9b was spent acquiring the shares of other publicly traded businesses.

Munger said many American banks are riddled with "bad loans" as property prices fall in the wake of the growing 'work-from-home' phenomenon brought on by Covid which has left many commercial buildings often half empty and owners struggling to find tenants.

CHINESE ECONOMIC OUTLOOK

Population: 1.41 Billion

Chinese War Games off Taiwan

One day after China simulated "joint precision strikes" on Taiwan during military exercises around the island, Taiwan's Foreign Minister Joseph Wu condemned Beijing's actions and warned that "*they seem to be trying to get ready to launch a war against Taiwan*."

"*Look at the military exercises, and also their rhetoric, they seem to be trying to get ready to launch a war against Taiwan*," Wu said.

Beijing launched the drills in early April, a day after Taiwan's President Tsai Ing-wen returned from a 10-day visit to Central America and the United States where she met US House Speaker Kevin McCarthy and other US lawmakers.

Beijing described them as "a serious warning against the Taiwan separatist forces' collusion with external forces, and a necessary move to defend national sovereignty and territorial integrity."

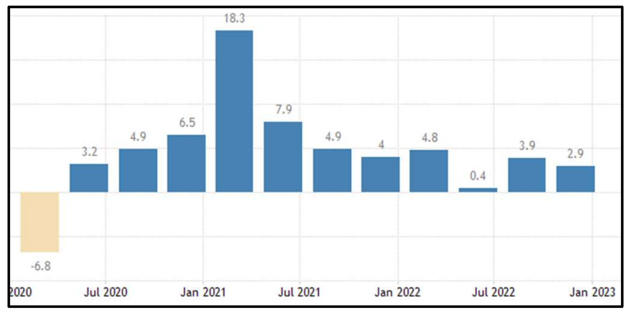
Asked if the costs of such a visit were too high, Wu said, "*China cannot dictate how Taiwan makes friends. And China cannot dictate how our friends want to show support to Taiwan*."

Beijing conducted similar large-scale military exercises around Taiwan last August, after then-US House Speaker Nancy Pelosi visited the island. Those exercises included Chinese missile launches over the island, something that has not been seen so far in the recent drills.

Taiwan and China have been governed separately since the end of a civil war more than seven decades ago, in which the defeated Nationalists fled to Taipei. Taiwan transitioned from authoritarian rule to a democracy in the 1990s and is now ranked one of the freest jurisdictions in Asia by Freedom House, a US-based non-profit organization.

However, China's ruling Communist Party claims the self-governing island as its territory, and in recent years, as his power has grown, Chinese leader Xi Jinping has made clear his ambitions to "reunify" with the island – by force if necessary.

CHINA – ANNUAL GDP GROWTH RATE



UNITED KINGDOM ECONOMIC OUTLOOK

Population: 68.4 million

IMF predicts gloom for UK economy

The UK is set to be one of the worst performing major economies in the world this year, according to the International Monetary Fund (IMF).

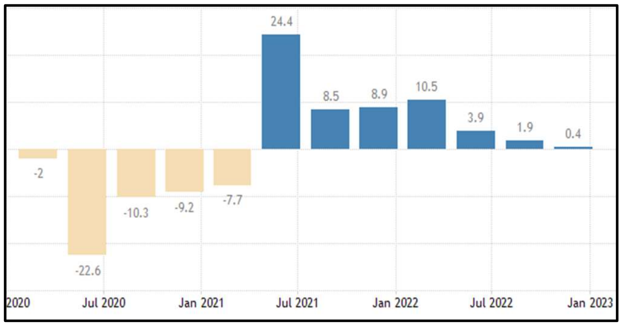
It says the UK economy's performance in 2023 will be the worst among the 20 biggest economies, known as the G20, which includes sanctions-hit Russia. The IMF predicts the UK economy will shrink this year, although this is a small upgrade from its last forecast. It also warned of a "rocky road" for the global financial system.

It follows the collapse of two US banks last month, closely followed by a rushed takeover of Swiss banking giant Credit Suisse by its rival UBS, which sparked fears of another financial crisis.

The IMF had already forecast that the UK would experience a downturn this year and be bottom of the pile of the G7 - a group of the world's seven largest so-called "advanced" economies, which dominate global trade and the international financial system. The UK topped the group in 2022 during the pandemic rebound.

It now expects the UK economy to shrink by 0.3% in 2023 and then grow by 1% next year. Although the UK is forecast to have the worst economic performance this year, the IMF's latest prediction is slightly better than its previous expectation of a 0.6% contraction, made in January.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



INFLATION – 10.5% IN DECEMBER, 10.1% IN MARCH

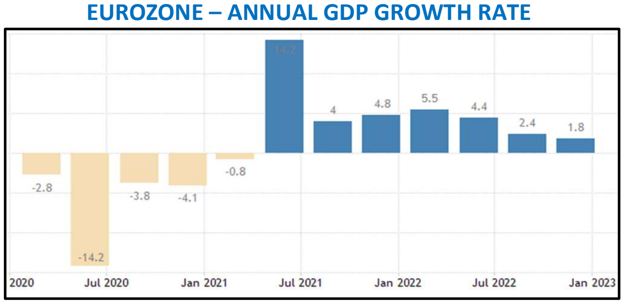
The consumer price inflation rate in the United Kingdom eased to 10.1% year-on-year in March 2023, down from 10.4% in February but more than market expectations of 9.8%. The rate remained above the 10% mark for a seventh consecutive period and the Bank of England's 2% target for almost two years, suggesting policymakers might continue to raise borrowing costs. Main upward pressure came from food and non-alcoholic beverages (19.1% vs 18.0% in February), recreation and culture (4.6% vs 4.0%), and miscellaneous goods and services (6.7% vs 6.6%). The cost of housing and utilities has also increased at a solid pace (26.1% vs 26.6%). Meanwhile, inflation slowed for both transport (0.8% vs 2.9%) and restaurants and hotels (11.3% vs 12.1%). The core inflation rate, which excludes volatile items such as energy and food, was unchanged at 6.2% in March, not far from September's record of 6.5%.

EU ECONOMIC OUTLOOK

POPULATION: 447.7 MILLION

The Eurozone economy grew slightly by 0.1% in the first quarter of 2023 after a flat fourth quarter, but missed market consensus of a 0.2% expansion, a preliminary estimate showed. The surge in consumer prices due to the higher cost of energy and food, alongside the fastest pace of policy tightening by the European Central Bank in over 20 years and weakening confidence have taken a toll on the bloc's economy. Amongst the Eurozone's largest economies, Germany registered no growth in the first quarter, while the economies of France, Italy, and Spain did expand.

EUROZONE – ANNUAL GDP GROWTH RATE



JAPAN’S ECONOMIC OUTLOOK

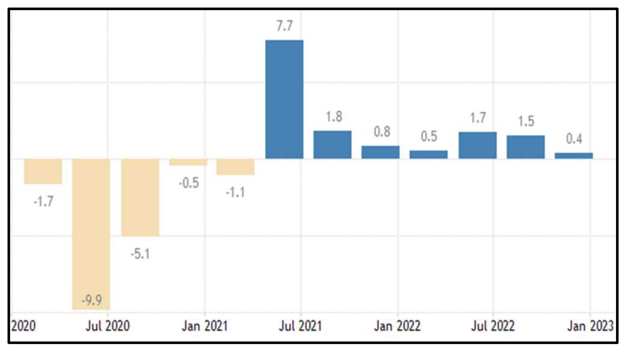
POPULATION: 123.3 MILLION

Japan is predicted to face an 11 million worker shortfall by 2040. This is the result of their shrinking population. Their population is rapidly shrinking, and predictions are that by 2040 it could fall to around 85 million. The reason for their current low birth rate is put as the high cost of living, and pressure on living space within its urban confines.

THE JAPANESE ECONOMY

The Japanese economy grew by 0.1% on an annualized basis during the fourth quarter of 2022, compared with the preliminary figure of a 0.6% expansion and after a revised 1.1% contraction in the previous period. The downward revision reflected multiple challenges the country faces, such as a global economic slowdown and high inflation. Both private consumption and government spending rose, amid a positive contribution from net trade as exports increased and imports fell. However, business investment dropped after advancing in the prior two quarters.

JAPAN – ANNUAL GDP GROWTH RATE



INDIA’S ECONOMIC OUTLOOK

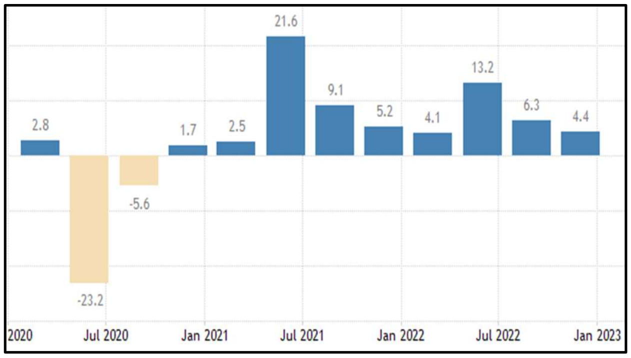
POPULATION: 1.41 MILLION

India’s population is `17.7% of the total world population, and now surpasses China as the country with the largest population.

The Indian economy expanded 4.4% year-on-year in the three months to December of 2022, below 6.3% in the three months to September and forecasts of 4.6%. Private spending which accounted for 61.6% of the GDP in Q4, slowed sharply (2.1% vs 8.8% in Q3), hurt by a rise in borrowing costs. At the same time, investment rose at a slower pace (8.3% vs 9.7%), government spending contracted (-0.8% vs -4.1%) and both exports (11.3% vs 12.3%) and imports (10.9% vs 25.9%) lost steam. On the other hand, stocks rebounded (0.2% vs -2.3%). On the production side, the manufacturing sector shrank for a second time (-1.1% vs -3.6%) and a slowdown was seen in finance and real estate (5.8% vs 7.1%) and trade, hotels, transport and communication (9.7% vs 15.6%). In contrast, output in the mining sector rebounded (3.7% vs -0.4%) and faster increases were seen in farm (3.7% vs 2.4%), utilities (8.2% vs 6%) and construction (8.4%

vs 5.8%). The growth rate for the 2022/2023 fiscal year was kept unchanged at 7%.

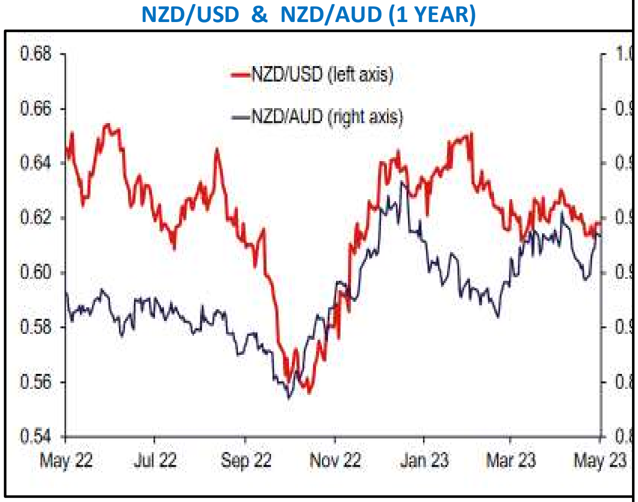
INDIA – ANNUAL GDP GROWTH RATE



CURRENCIES

With inflation now clearly past its highs, it looks likely that the May policy decision will mark the peak in the Reserve Bank's tightening cycle. But there are still a few things coming up in the weeks ahead that will keep the RBNZ on guard. The monthly indicator of filled jobs shows that employment has been growing at a fairly steady pace over the last year, and if anything has picked up momentum in the last few months. That will be, at least in part, because there are more people around to hire. Since New Zealand reopened its border last year, net migration has rapidly switched from a modest net outflow to a strong net inflow. The bottom line, though, is that businesses are still firmly in hiring mode.

NZD/USD & NZD/AUD (1 YEAR)



SOURCE: Westpac

OIL

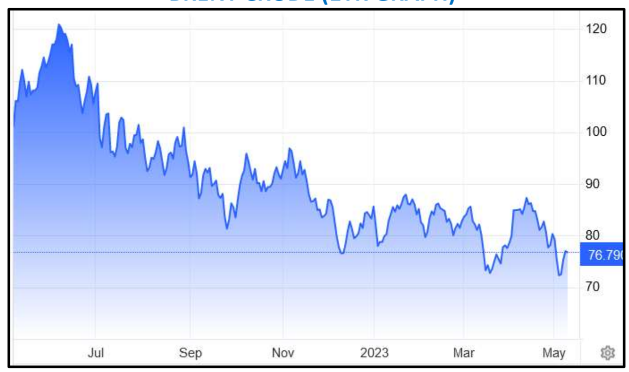
A two-year rally in US oil and gas stocks is coming to a halt as falling crude prices and fears of a slowdown in the world's biggest economy threaten producers' ability to maintain bumper shareholder payouts.

The S&P 500's energy sector — consisting of oil and gas groups — was the market's best performer in 2021 and 2022, rising more than 50 per cent last year as Russia's full-scale invasion of Ukraine pushed up crude prices and operators used the windfall to repair balance sheets and shower shareholders with cash.

The mood has changed, with the energy sector down 5% since the start of the year compared with a rise of 8% for the wider market and a 24% surge in the tech sector.

Investors are bracing themselves for recession and are worried about a weak "macro backdrop" that could trigger further oil price falls. "It doesn't engender a lot of confidence in the near-term future of cash flows."

BRENT CRUDE (1YR GRAPH)



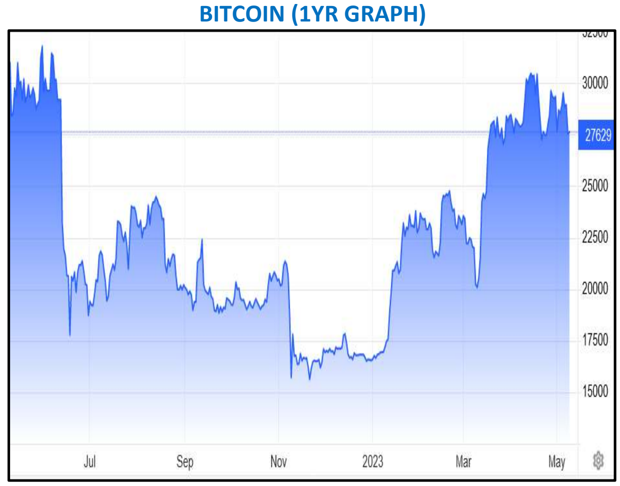
NOTE: New Zealand trades in Brent Crude Oil

Brent crude futures rebounded to over $76 per barrel on Monday, recovering from a one-and-a-half-month low of $71.28 touched on May 4th. The market sentiment was boosted by better-than-expected job growth in the US, which alleviated concerns over a potential economic downturn. This positive economic outlook, combined with a weaker US dollar and expectations of supply cuts at the next OPEC meeting, has provided some support for crude oil prices.

CRYPTO

Looking back, over the last four weeks, Bitcoin gained 5.15%. Over the last 12 months, its price fell by 10.8%. Looking ahead, Trading Economics forecasts Bitcoin to be priced at US$26,245 by the end of this quarter and at US$19,737 in one year, according to their global macro models projections and analysts' expectations.

BITCOIN (1YR GRAPH)



AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

WHY IS THE GOVERNMENT DESTROYING THE ETS

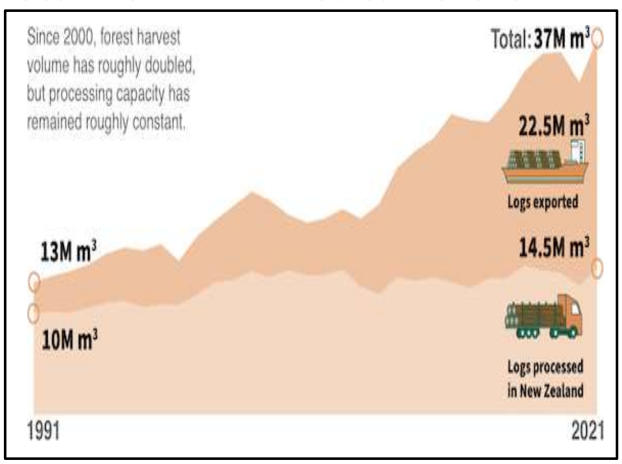
The Government's decision to prevent the carbon price from rising in line with market expectations is costing taxpayers half a billion dollars, according to the NZ Herald.

As at the end of February, the Crown accounts were $486 million more in the red than forecast by the Treasury in December due to the carbon price plummeting. Cabinet's surprise decision to prevent the carbon price from rising saw it fall from $85 in December to a low point of around $53, before rising a little to $59 at the time of writing.

This volatility is primarily concerning because it risks eroding trust and confidence in the ETS – an important tool relied upon to incentivise companies to lower their emissions. If the ETS is allowed to function properly, it is by far the cheapest and most effective way to reduce emissions. We have had the ETS for 15 years now. The Government should no longer be setting a cap on the ETS price.

David Farrar, in his 15th April Kiwiblog post, suggests that "*If there is a concern about the impact of the ETS on the cost of living, then the answer is to give money back to households through a climate dividend from ETS revenue*."

LOGS EXPORTED AND PROCESSED ONSHORE.



Source: NZ Forest Service

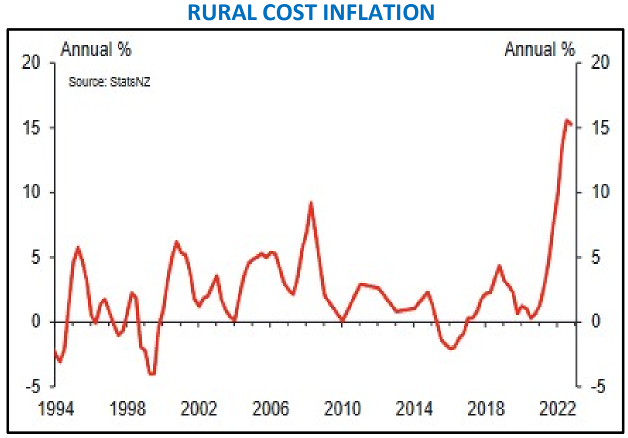
Forestry Minister Peeni Henare has announced a $57m fund to promote investment in domestic wood-processing facilities, seeking to push wood as a carbon-friendly alternative for use in construction, fuels, packaging, and even biochemicals and pharmaceuticals.

Last year only about 40% of NZ's forest harvest was processed at home; the rest was sent overseas, mostly as low value logs. *"If we can find high value uses for the 60% we currently export we will grow our prosperity and help our country transition to a low-carbon future*," Henare says. He isn't wrong but will China (in particular) be attracted to a larger portion of processed timber?

RURAL COST INFLATION - LIGHT AT THE END OF THE TUNNEL

Rural cost inflation has peaked. Input prices across all farm and orchard types1 (excluding livestock costs) dipped from an annual pace of 15.6% in the Sept qtr down to 15.3% in the December quarter.
That's not to say the picture isn't still ugly. At an annual 15.3% rate, rural cost inflation is more than double the rate of a year ago. And the comparison is even starker with the pre-Covid average of around 1.8% annually, according to Westpac Economists.

RURAL COST INFLATION



Source: Westpac

Looking by farm type, dairy farms experienced the biggest spike in input costs, with prices up over 17% over the period. Sheep and beef farmers and cropping farmers experienced the next biggest lift, with prices lifting around 15%, while for horticulture, prices were up closer to 12% for the year.
The chief drivers of rural cost inflation have also changed. Debt servicing costs have risen on average by 45% over the past year. Fuel and fertiliser prices are up 28% and 33%, respectively, over the past year. While those are still large increases, price growth in these areas has slowed sharply from the 40% to 70% increases that we saw in the year to June. Meanwhile, feed cost 2 inflation has remained firm, up 13.4% in annual terms in both the September and December quarters.

NEW ZEALAND EQUITIES

NZ LISTED PROPERTY SECTOR

The NZ 10yr government bond was fairly stable in April, ending at ~4.1%, down slightly from ~4.2% in March. The NZ REIT index largely reflected this stability but underperformed the market, up 0.03% (S&P/NZ50G up 1.14%). CDI, GMT and KPG outperformed; NZL, PCT and APL underperformed.

Jarden summarises their updated 12-month target prices and ratings with low single digit changes in their target prices driven by a reduction in NAV valuation with some offset from DCF roll-forward /change in interest rates flowing through their DCF and relative yield valuations. Jarden has not made any ratings changes ahead of May reporting (GMT, KPG, ARG, IPL, SPG all reporting).

NZ LISTED PROPERTY SECTOR								
CODE	RATING	Price 20-Apr-23	12mth Target Price	P/NTA	P/NAV	Net Div Yield	Gross Div Yield	Committed Gearing
APL	Overweight	$0.25	$0.32	0.57x	0.84x	0.0%	0.0%	8.2%
ARG	Overweight	$1.13	$1.17	0.72x	0.98x	5.9%	8.2%	33.1%
GMT	Underweight	$2.16	$2.02	0.88x	1.12x	2.8%	3.8%	29.5%
IPL	Neutral	$1.42	$1.52	0.78x	1.08x	5.6%	7.8%	35.3%
KPG	Neutral	$0.88	$0.96	0.72x	0.95x	6.5%	9.1%	35.4%
NZL	Neutral	$0.90	$1.13	0.55x	0.75x	4.4%	6.2%	35.6%
PCT	Underweight	$1.28	$1.17	0.85x	1.05x	5.3%	7.3%	32.7%
PFI	Neutral	$2.31	$2.18	0.77x	1.11x	3.6%	5.0%	32.2%
SPG	Neutral	$1.32	$1.52	0.70x	0.88x	5.8%	8.1%	37.1%
VHP	Underweight	$2.30	$2.20	0.72x	1.17x	4.3%	5.9%	39.0%
Average (Market Cap based)				**0.79x**	**1.06x**	**4.5%**	**6.3%**	**33.2%**

Outside of revaluation announcements following year-end, sector activity continues to remain benign. The sector is in limbo, leaving little to focus on as we approach the May reporting season. Whilst relatively narrow, our focus will be on ARG (asset recycling and office asset leasing), KPG (recycling out of Westgate, plans in office, BTR update), SPG (extent of fee income pressure, dealing with the office asset overhang and funds management scale), GMT (any plans to commit on new developments) and IPL (Waimak update, any plans on asset recycling).

NZ RETIREMENT VILLAGE SECTOR

Momentum in the RV sector - what would a turn in house prices mean and how important is it? The retirement village (RV) sector has been under significant pressure, sitting well below its recent highs (RYM down 54%, SUM down 39%, ARV down 48% and OCA down 47% since 31 December 2021).
Looking at performance over the longer term, we highlight both RYM and SUM have still delivered significant value uplift since they listed.

The housing market cycle is relatively short dated and will emerge out of its current slumber at some point. Based on previous experience, this could provide some support for the sector but, in Jarden's view, provides the least compelling basis on which to underpin a longer-term investment thesis in the sector, noting that the current entry price to investment in the sector sits at $6.9bn collectively in market capitalisation.

NZ RETIREMENT VILLAGE SECTOR						
Key Financial metrics	RATING	Price 2-May-23	12mth Target Price	Projected Return	Downside TP (WACC +50bps)	Upside TP (WACC -50bps)
Ryman Healthcare	Underweight	$5.35	$4.89	(6.9%)	$4.20	$5.68
Summerset Group	Overweight	$8.30	$9.50	17.1%	$8.00	$11.22
Arivda Group	Neutral	$1.02	$1.14	17.0%	$0.96	$1.34
Oceania Healthcare	Underweight	$0.71	$0.66	(1.4%)	$0.51	$0.82

NZ ENERGY SECTOR

Jarden has updated gentailer earnings with the March quarter operational statistics releases. Manawa is due to report FY23 results on 16 May 2023, with the final quarter stronger than expected and Jarden's FY23 EBITDA estimate of $142m now above the top end of the guidance of $127.5m-$140.0m.

Jarden continues to expect Mercury and Genesis to beat their current guidance. In particular, they expect Genesis to post c.$521m FY23 EBITDA, relative to $515m guidance, and Mercury to post $816m, relative to $795m guidance.

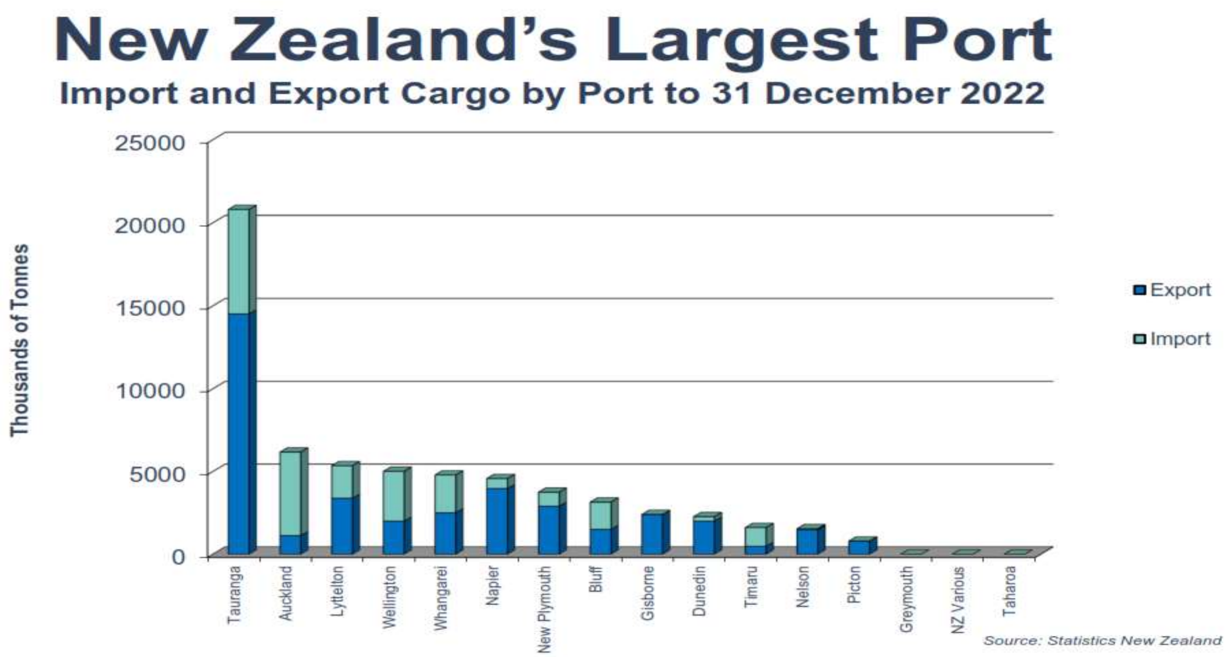
Whilst Contact had indicated an average 2H would have delivered a c.$530m EBITDA outcome for the full year, Jarden estimates that 3Q23 inflows and GWAP were disappointing; hence, their $510m estimate.

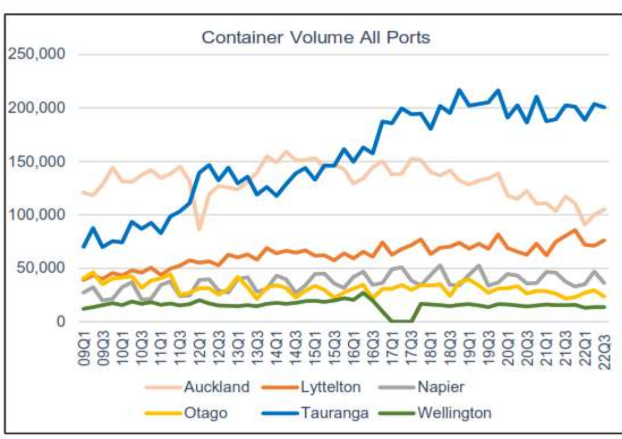
Meridian does not offer EBITDA guidance. However, despite a poor March month, Jarden expects April to see a material catch-up and they have reduced their estimate for FY23 only modestly from $773m to $766m.

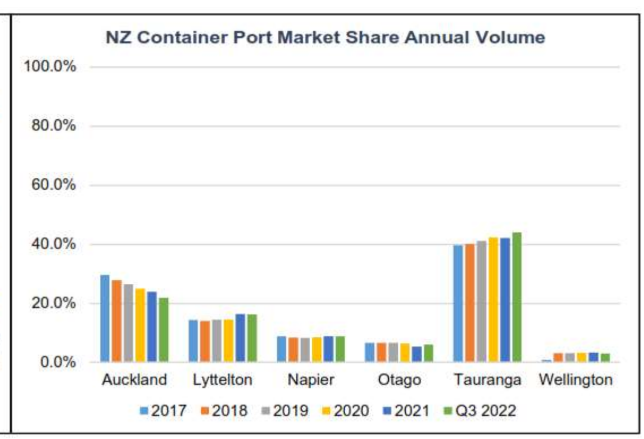
Jarden retains their Buy rating on Contact, Overweight ratings on Mercury and Genesis and Neutral ratings on Meridian and Manawa.

NZ ELECTRICITY SECTOR						
Key Financial metrics	RATING	Price	12mth Target Price	Projected Return	Price to Earnings	Dividend Yield
Contact Energy	Buy	7.58	9.49	29.9%	35.4	4.7%
Meridian Energy	Neutral	5.28	5.67	10.8%	44.0	3.4%
Mercury NZ	Overweight	6.2	7.13	18.6%	38.0	3.6%
Genesis Energy	Overweight	2.71	3.25	26.2%	20.7	6.3%
Manawa Energy	Neutral	4.82	5.23	11.8%	20.6	3.1%

PORT OF TAURANGA







ALL GRAPHS ARE 1 YEAR

Air New Zealand Research: 24th February

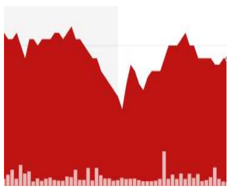
AIR has delivered an in-line EBITDA result of $664m (+0.4% vs JARDe) and underlying PBT of $299m (-4% below JARDe), at the lower end of guidance of $295m to $325m. Within this result there were a number of notable elements: AIR is back at ~95% operating capacity vs pre-COVID in the domestic market (overall market ~90%), with corporate revenues above pre-COVID levels. International bookings are at ~75% of pre-COVID, with Tasman demand remaining elevated for both inbound and outbound travel. Offsetting these positives, AIR noted ongoing pressures including staff shortages, supply chain delays, industry capacity constraints and inflation.

2023 P/E: 7.6 2024 P/E: 9.7

NZX Code:	**AIR**
Share Price:	**$0.75**
12mth Target:	**$0.87**
Projected return (%)	
Capital gain	15.2%
Dividend yield (Net)	4.1%
Total return	**19.3%**

Rating: OVERWEIGHT

52-week price range: 0.53-0.83



Asset Plus Research: 13th April

Stoddard is almost gone, and a wind-up is increasingly realistic. With APL looking likely to exit Stoddard Road this month, decision time is coming for APL on whether to progress exit of Munroe in parallel with further leasing (potentially exit with a rental underwrite) or put forward the case for repurposing the vehicle post eventual Munroe exit. Jarden believes wind-up is an increasingly likely base case, particularly if there appears a clear lack of investor willingness to support growth in the vehicle under new direction, noting post Munroe exit cash could sit at ~$130m, likely meaning that scale would still be an issue.

2022 P/E: 23.2 2023 P/E: -80.5

NZX Code:	**APL**
Share Price:	**$0.25**
12mth Target: ↓	**$0.32**
Projected return (%)	
Capital gain	28.0%
Dividend yield (Net)	0.0%
Total return	**28.0%**

Rating: OVERWEIGHT

52-week price range: 0.20-0.285

Auckland International Airport Research: 9th May

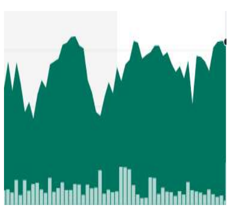
AIA is New Zealand's largest airport and pre-covid it was the third busiest in Australasia. Pre-covid, Auckland Airport serviced over 20 million passengers a year and around 75% of visitors entering and leaving New Zealand. Monthly domestic passenger numbers are currently at 88% of pre-covid levels, while international passengers are at 75%. International airline carriers servicing the airport currently sits at 23 (across 35 destinations). This number is expected to increase to 26 airlines and 37 destinations by next summer. Auckland Airport has an asset value of $10.3 billion, which includes a 25% interest in Queenstown Airport, and a significant investment property portfolio sitting at 98.5% occupancy valued at $2.8 billion. It has debt gearing of just 17.0%, and an interest cover of a comfortable 4.99x.

2023 P/E: 90.8 2024 P/E: 43.4

NZX Code:	**AIA**
Share Price:	**$8.84**
12mth Target:	**$7.65**
Projected return (%)	
Capital gain	-13.5%
Dividend yield (Net)	1.1%
Total return	**-12.4%**

Rating: UNDERWEIGHT

52-week price range: 6.99-8.98



Contact Energy Research: 14th February

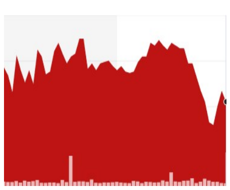
Contact delivered a well-guided soft 1H23, with normalised EBITDA of $246m (Jarden $247m) versus $322m in pcp, with the decline due to generation being down on pcp, wholesale prices halving and inter-island price separation expanding. The interim dividend of 14.0cps (imputed 86%, 12cps) is in line. The presentation update was positive, as the company added c. $30m to its normalised EBITDA estimate, guiding $530m for FY23 (Jarden increases their estimate from $515m to $526m). The gas book has been shored up to support CY23 requirements. They retain their Buy rating and adjust our 12-month target price from $9.99 to $9.84. The company remains Jarden's value pick in the sector.

2023 P/E: 33.9 2024 P/E: 29.5

NZX Code:	**CEN**
Share Price:	**$7.89**
12mth Target:	**$9.84**
Projected return (%)	
Capital gain	24.7%
Dividend yield (Net)	4.5%
Total return	**29.2%**

Rating: BUY

52-week price range: 6.82-8.09



Comvita Research: 3rd May

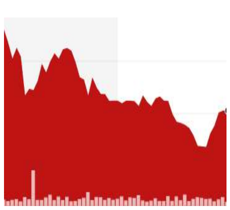
CVT has provided a trading update signalling strong forward demand, and reiterated its FY23 guidance for double digit normalised EBITDA growth (Jarden is at the bottom end with 10%), despite the impact of a bad harvest. The update also implies that FY23 net debt would be ~$50m at year end which is ~20% lower than the balance at 1H23 ($63m) but higher than at FY22 ($26m) and is driven by higher receivables (reflecting demand profile) alongside the pre-flagged capex spend on production expansion and manuka forest development, noting inventory is still forecast to be flat vs pcp (~$135m).

2023 P/E: 16.7 2024 P/E: 12.9

NZX Code:	**CVT**
Share Price:	**$2.97**
12mth Target:	**$4.50**
Projected return (%)	
Capital gain	51.5%
Dividend yield (Net)	1.6%
Total return	**53.1**

Rating: BUY

52-week price range: 2.77-3.48



Delegat Group Research: 27th February

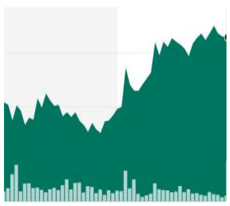
DGL's 1H23 operating NPAT was $40m versus Jarden's estimate of $41m. The company slightly downgraded its FY23 guidance for operating NPAT to $59-62m (prev $60-64m) due to current FX rates, ongoing cost pressures and a slight reduction in forecast volumes due to a temporarily slow period for the UK. It also reconfirmed no significant damage/impact from Cyclone Gabrielle, which should come as a relief - noting the negative share price reaction around the time of the event.

2023 P/E: 15.5 2024 P/E: 14.3

NZX Code:	**DGL**
Share Price:	**$9.62**
12mth Target:	**$12.10**
Projected return (%)	
Capital gain	25.8%
Dividend yield (Net)	2.3%
Total return	**28.1%**

Rating: OVERWEIGHT

52-week price range: 8.20-12.70

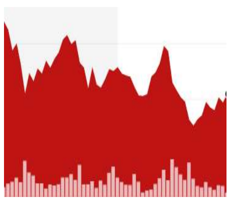


Fisher & Paykel Healthcare — Research: 15th March

Jarden has updated their monitoring of the US FDA database for FPH's progress on key product regulatory approvals and a detailed review of the Nasal High Flow (NHF) clinical papers published on PubMed over the past six months to update our previous clinical evidence analysis. Finally, with the benefit of export port data, Jarden attempts to cross-check COVID-19 related demand from China in December/January, which formed a key element of FPH's 20 January trading upgrade and revenue guidance.

2023 P/E: 60.2 2024 P/E: 47.8

NZX Code:	**FPH**
Share Price:	**$26.69**
12mth Target:	**$25.50**
Projected return (%)	
Capital gain	-4.5%
Dividend yield (Net)	1.6%
Total return	**-2.9%**
Rating: OVERWEIGHT	
52-week price range: 18.02-27.95	

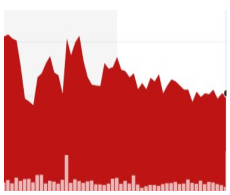


Fletcher Building — Research: 15TH February

House prices are likely to bottom by December 2023 and at a slightly lower level - after a 15% fall from peak so far. Jarden believes there is another 10% downside from January 2023 to come. This later-than-forecast end to the pricing decline implies a slightly worse FY24 building activity trajectory with a more modest recovery into FY25. We cut our EBIT estimates from $823m to $814m for FY23, $682m to $650m for FY24 and $748m to $703m for FY25. Jarden's FY24 estimate implies EPS of 47c, which they view as the bottom of the current cycle and a PE of 10.1x, which implies 22-27% upside potential to the historical average PE of 12.0-12.5x.

2023 P/E: 7.8 2024 P/E: 9.8

NZX Code:	**FBU**
Share Price:	**$4.75**
12mth Target:	**$6.50**
Projected return (%)	
Capital gain	36.8%
Dividend yield (Net)	8.6%
Total return	**45.4%**
Rating: BUY	
52-week price range: 4.20-6.04	

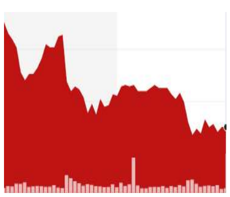


Freightways — Research: 29th March

FRW has provided an update outlining a number of one-off and ongoing cost items, including higher lease and D&A costs going forward. The company intends to replace one of its existing four leased aircraft from May 2023, which it expects to deliver improved reliability versus the existing aircraft with greater capacity and fuel economy, albeit at higher cost. The company expects the net cost increase to be ~$3.5m p.a. on an annualised basis, split between lease costs of ~$2.8m and opex of ~$0.7m. FRW also provided guidance regarding an increase in amortisation costs associated with the Allied Express acquisition (settled in October 2022), expecting an annual increase of ~$6.5m (versus our previous $4.5m estimate).

2023 P/E: 119.7 2024 P/E: 18.0

NZX Code:	**FRW**
Share Price:	**$9.41**
12mth Target:	**$10.48**
Projected return (%)	
Capital gain	11.4%
Dividend yield (Net)	4.2%
Total return	**15.6%**
Rating: OVERWEIGHT	
52-week price range: 8.72-11.25	



Heartland Group — Research: 1st March

HGH posted normalised NPAT of $54.7m in 1H23 in line with Jarden's estimate, up $7.6m (+16%) on the pcp, with the StockCo Australia acquisition contributing ~$6m on estimates. Receivables lifted ~5% in 1H23, led by strong growth in Reverse Mortgages (+12% versus FY22), and Motors (+6%), while a soft housing market impacted growth in Home Loans (online only retail mortgages, +10%). Normalised opex lifted $7.6m, driven by the inclusion of StockCo (+$4.5m) Reverse Mortgage origination and staff expenses/admin. There are some signs of increasing pressure on consumer finances with arrears in the Motors portfolio back at the pre-COVID level from the lows seen over the past two years. Jarden notes that HGH retains on balance sheet an additional $8.0m "economic overlay" provision, which, combined with increased loan quality, provides some risk mitigation in the event of a meaningful downturn.

2023 P/E: 11.3 2024 P/E: 11.5

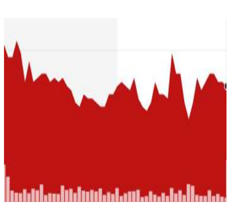
NZX Code:	**HGH**
Share Price:	**$1.57**
12mth Target:	**$2.27**
Projected return (%)	
Capital gain	44.6%
Dividend yield (Net)	6.1%
Total return	**50.7%**
Rating: OVERWEIGHT	
52-week price range: 1.50-2.25	

Infratil — Research: 28th March

No new acquisitions - yet. IFT is still looking at potential large acquisitions for the current platforms but looks to be keeping its powder dry as auctions start to see fewer participants and higher bond yields begin to be better reflected in asking prices. IFT's proportionate EBITDA range is now $520-535m (from $510-540m, JARDe $524m). Upgrades for FY23 EBITDA guidance came from Vodafone (~$10m above the top end of $490-520m range) and Wellington Airport $88-90m (prior $80-85m). The Diagnostic Imaging platform is not yet seeing full post-COVID volume recovery and was downgraded further, by $10m to a $150-160m range (a far cry from the maiden $190-205m guidance issued in May 2022). CDC and Manawa reaffirmed standing guidance.

2023 P/E: 11.1 2024 P/E: 219.4

NZX Code:	**IFT**
Share Price:	**$9.44**
12mth Target:	**$9.95**
Projected return (%)	
Capital gain	5.4%
Dividend yield (Net)	2.1%
Total return	**7.5%**
Rating: OVERWEIGHT 52-week price range: 7.33-9.65	

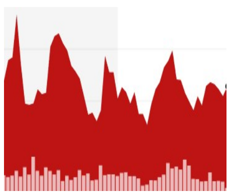


KMD Brands — Research: 24th March

1H23 EBITDA result in line with guidance. KMD reported revenue of $547.9m (+34.5% YoY) and underlying EBITDA of $45.3mn (+343% YoY) in line with its trading update. Underlying NPAT of $16.5m (up from -$5.1m in the PCP) was below Jarden's $18.7m forecast on higher interest costs. The material year-on-year growth in earnings was driven largely by the cycling of lockdown impacted earnings in the PCP and easing supply chain/shipping pressures. Notably, the group gross margin improved by 100bps YoY, reflecting a strong improvement in Kathmandu on FX gains and a moderation of the brand's high-low pricing model. In addition, the 3cps 1H23 dividend was flat YoY.

2023 P/E: 15.1 2024 P/E: 11.4

NZX Code:	**KMD**
Share Price:	**$1.08**
12mth Target:	**$1.30**
Projected return (%)	
Capital gain	18.2%
Dividend yield (Net)	5.9%
Total return	**23.1%**
Rating: BUY	
52-week price range: 0.98-1.26	



Mainfreight Research: 5th May

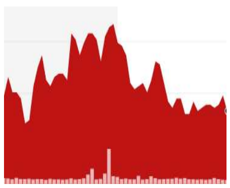
Investment outside NZ is set to drive the next leg of domestic freight growth. MFT's has planned investment in The Americas and Europe - two markets where it has committed limited capital to date. Jarden's scenarios highlight the potential for combined earnings in these two markets to add EBITDA (pre-IFRS16) of ~NZ$230m (+/-30%) by FY30, driven by a meaningful lift in capex alongside margin expansion. Expect MFT to maintain a disciplined approach to investment, as it has done in the past, and assume lower capex if margin expansion is more subdued. These scenarios see net debt remaining below 0.6x in all cases and providing scope for further investment if outcomes are favourable.

2023 P/E: 17.1   2024 P/E: 20.1

NZX Code:	**MFT**
Share Price:	**$71.49**
12mth Target:	**$80.00**
Projected return (%)	
Capital gain	11.9%
Dividend yield (Net)	2.4%
Total return	**14.3%**

Rating: OVERWEIGHT

52-week price range: 64.50-81.55



Michael Hill International Research: 20h April

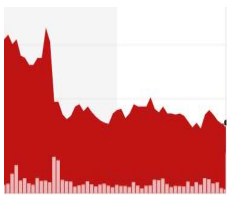
Expanding the breadth of product through brand acquisition. MHJ has announced the agreed acquisition of Australian jewellery retailer, Bevilles, for A$45.1m, representing an acquisition multiple of 5.6x EV / FY23E EBITDA (pre IFRS-16). The acquisition is to be funded on balance sheet - MHJ last reported net cash of A$78.7m as at 31-Dec-2022. The deal is subject to certain regulatory and counterparty conditions and is expected by MHJ to be completed before 30- Jun-2023.

2023 P/E: 7.9   2024 P/E: 8.3

NZX Code:	**MHJ**
Share Price:	**$1.06**
12mth Target:	**$1.50**
Projected return (%)	
Capital gain	41.5%
Dividend yield (Net)	7.2%
Total return	**48.7%**

Rating: OVERWEIGHT

52-week price range: 1.00-1.36



Pacific Edge Research: 18h April

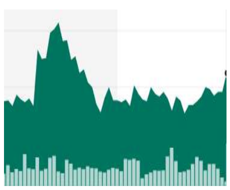
FY23E volumes broadly in line with estimate...and quarterly growth run-rate also implies volumes similar to current FY24E estimate. 4Q23 total (US) volumes were 8,878 (7,817), bringing the full-year number to 31,566 (27,218), which is broadly in line with our estimate of 32,734 (28,571). The number of US ordering clinicians also lifted 6% from 1,081 in 3Q23 to finish the year at 1,151. We note the current US quarterly growth rate of ~10% implies ~40,000 US tests for FY24E, which is similar to Jarden's current estimate. This is without knowing the impact of Kaiser EMR integration (if it goes 'live' in FY24) and the additive impact of having a more established sales and marketing strategy.

2023 P/E: 2024 P/E:

NZX Code:	**PEB**
Share Price:	**$0.43**
12mth Target:	**$0.75**
Projected return (%)	
Capital gain	78.6%
Dividend yield (Net)	0.0%
Total return	**78.6%**

Rating: OVERWEIGHT

52-week price range: 0.39-0.90



Port of Tauranga Research: 27th February

POT reported solid 1H23 results, with $107.7m EBITDA (+10.6% YoY) and $62.7m underlying NPAT (+11.4% YoY), 4.7% and 6.3%, respectively, ahead of Jarden estimates. Overall, POT delivered a solid operating result in what remained an operationally challenging environment. The modest beat to estimates reflected largely both better revenue growth (on pricing) in Port Operations and better margin. Total trade tonnes were -2.5% YoY, container tonnes were broadly flat, log volumes fell -2.6% YoY, non-log breakbulk tonnage fell -9.0% YoY and total containers (TEU) grew +2.5%. In addition, POT declared a fully imputed interim dividend of 6.8cps (+4.6% YoY).

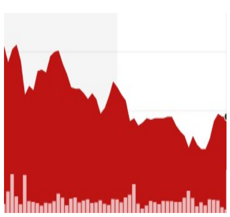
I still maintain that POT remains a core investment stock, with its virtual monopoly of the super container ship access making this an excellent long-term infrastructure pick.

2023 P/E: 35.4   2024 P/E: 31.6

NZX Code:	**POT**
Share Price:	**$6.55**
12mth Target:	**$6.40**
Projected return (%)	
Capital gain	-2.3%
Dividend yield (Net)	2.5%
Total return	**0.2%**

Rating: NEUTRAL

52-week price range: 5.98-7.37



Rakon Research: 6th February

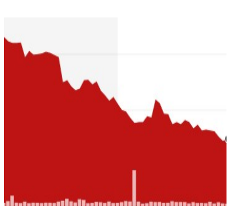
Kiwi high-tech company RAK is in growth mode. This Auckland based company turns quartz crystals into radio frequency control systems that help telecommunication gear, satellites, missile guidance systems and emergency beacons maintain the same "heartbeat" as other electronics they are communicating with. RAK has huge potential, but investors have become discontented as the lack of dividend returns. RAK employs 1,000 staff globally – with 350 in NZ (Auckland). RAK had revenue of $176.6m in 2022 and still expects EBITDA for the upcoming FY23 (31-March) at $38m-44m, a slight lift on their August guidance, but below FY22 of $54m.RAK's share price peaked at $5.45 in 2007 and it again peaked at $2.08 in December 2021. This stock remains too cheap.

2023 P/E: 7.2

NZX Code:	**RAK**
Share Price:	**$1.08**
12mth Target:	**$1.86**
Projected return (%)	
Capital gain	72.2%
Dividend yield (Net)	2.9%
Total return	**75.1%**

Rating: BUY

52-week price range: 0.82-1.70



Seeka Research: 20th April

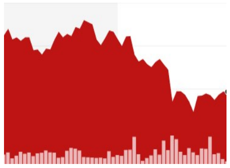
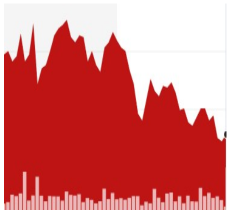
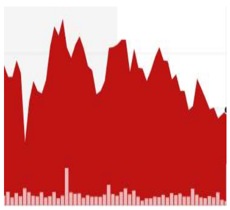
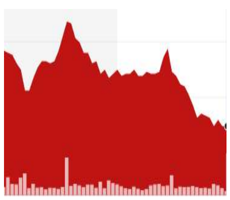
SEK has advised that early season yields and volume are down on expectations and could be ~20% lower for the season than in pcp, which compares with our initial assumption of ~10% lower than pcp. SEK pointed out that recent hail is the main reason it has lowered its expectations further, on top of the October 2022 frost and cyclone. the company has not provided full-year guidance, with this more likely to come once the harvest is complete, though SEK indicated that FY23 could result in an NPAT loss.

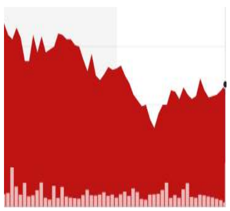
2023 P/E: (65.4)   2024 P/E: 7.8

NZX Code:	**SEK**
Share Price:	**$2.65**
12mth Target: ↓	**$2.85**
Projected return (%)	
Capital gain	7.5%
Dividend yield (Net)	0.0%
Total return	**7.5%**

Rating: UNDERWEIGHT

52-week price range: 2.60-5.10

	**Scales Corporation** Research: 11th April SCL has provided an update addressing Horticulture uncertainty and new FY23 guidance for NPAT to SCL shareholders of $14-19m (vs. Jarden's initial expectation of $17m). Jarden now better knows the volume impact for FY23E and, more importantly, the longer-term impact from tree mortality on damaged orchards - that had previously cast significant uncertainty over earnings and capital required from replanting. 2023 P/E: 27.5 2024 P/E: 15.4	**NZX Code:** SCL **Share Price:** $3.34 **12mth Target:** ↑ $3.45 **Projected return (%)** Capital gain 3.3% Dividend yield (Net) 2.5% **Total return** 5.8% **Rating: OVERWEIGHT** 52-week price range: 2.75-5.00
	**Sky City Entertainment** Research: 16th February SKC reported a strong 1H23 trading result, underpinned by record result from NZ properties, driven by efficiency measures across properties (e.g. reduced operating hours, available resource allocation to higher margin products). This led to a record EBITDA margin but lower revenue than Jarden estimated. SKC noted Adelaide trading as robust and benefitting from share gains in a growing market. Reinstatement of an interim dividend and expanded debt liquidity headroom ($475m) are encouraging confidence markers given overhangs of Australian regulatory matters. 2023 P/E: 13.8 2024 P/E: 12.8	**NZX Code:** SKC **Share Price:** $2.29 **12mth Target:** $3.40 **Projected return (%)** Capital gain 48.5% Dividend yield (Net) 4.7% **Total return** 53.2% **Rating: BUY** 52-week price range: 2.22-2.98
	**Skellerup** Research: 6th February SKL delivered 1H23 NPAT of $23m, a slight miss versus estimates (JARDe $25m) driven by Agri weakness and interest costs. It maintained its NPAT guidance at $48-52m, requiring a seasonally strong 2H23 at the top end. Net debt rose to $39m, versus $25m as at FY22, driven mainly by strategic inventory purchases to secure supply of essential inputs (e.g. silicone). The interim dividend is 8.0cps (7.5cps in pcp). Industrial ahead of expectation, offset by Agri weakness. Industrial EBIT was +8% versus Jarden's estimate but this was offset by Agri EBIT that was -17% versus Jarden's estimate. The strong Industrial performance was driven by marine foam sales (with demand continuing to outstrip supply) as well roofing products, noting new demand coming from Europe in response to solar roof installations. 2023 P/E: 20.0 2024P/E: 18.0	**NZX Code:** SKL **Share Price:** $4.85 **12mth Target:** $6.10 **Projected return (%)** Capital gain 25.8% Dividend yield (Net) 4.2% **Total return** 30.0% **Rating: OVERWEIGHT** 52-week price range: 4.40-5.98
	**Steel & Tube** Research: 11th May STU's update for the 10 months to April reflects a 'recessionary operating environment' with volumes down more substantially than we saw at the half-year and now more in line with Vulcan (VSL.NZ) and pricing still strong given high international steel prices. However, the high input costs are putting more downward pressure on margins. Jarden reduces their FY23 estimates to be in line with mid-guidance: EBIT by 23.8% to $30.2m, the EBIT margin from 6.5% down to 5.2% and EBITDA to $50.4m and assumes slightly softer volumes going into FY24. Jarden has reduced their 12-month target price from $1.38 to $1.27 and upgraded their rating from Neutral to Overweight due to the recent share price decline. 2023 P/E: 10.3 2024P/E: 9.2	**NZX Code:** STU **Share Price:** $1.05 **12mth Target:** $1.27 **Projected return (%)** Capital gain 21.0% Dividend yield (Net) 8.5% **Total return** 29.5% **Rating: OVERWEIGHT** 52-week price range: 1.01-1.57
	**Synlait Milk** Research: 28th March Weak 1H23 results with adjusted NPAT -68% to $9m: This was foreshadowed by a material FY23 profit warning two weeks ago. Key operating issues included (1) challenges using new SAP ERP system (delayed Ingredients sales, higher start-up costs), (2) inflationary pressures and (3) headcount increases in advance of an Advanced Nutritional demand lift (both ATM and MNC). On the flipside, it is encouraging to see a solid Ingredients performance (outside SAP issues), Consumer profit improvement and the Foodservice business underway. The bridge to FY23 NPAT guidance of $15-25m (versus Jarden forecast and consensus of ~$50m on 17 March) was attributed by management during the earnings call as ~75% from lower ATM demand pre its interim results and delay in MNC initial production (both with higher cost bases built in advance) and the residual ~25% SAP issues and higher interest costs. 2023 P/E: 23.9 2024 P/E: 12.9	**NZX Code:** SML **Share Price:** $1.44 **12mth Target:** $2.95 **Projected return (%)** Capital gain 104.9% Dividend yield (Net) 0.0% **Total return** 104.9% **Rating: OVERWEIGHT** 52-week price range: 1.40-3.82
	**Tourism Holdings** Research: 11th May THL's investor day highlighted the company's positioning in each of its key markets and its approach to maximising value across the build/buy, rent and sell model. THL emphasised its focus on optimisation of earnings and returns, where the sales margin/rental yield potential for each existing vehicle is assessed on an ongoing basis and fleet purchases are assessed on the basis of yield, sales market and cost trends. Organic growth remains the focus for now but THL noted it remains open to M&A opportunities in RV rentals (North America/Europe) and ANZ manufacturing/dealership bolt-ons. The Board has approved an annual capex allocation to trial EV campervans, with six vehicles (manufactured in-house) expected to be in the NZ rental fleet for the 2023/24 summer season. The company expects the new vehicles to have a range of ~220km, up from 140km in THL's 2018 trial. 2023 P/E: 14.7 2024 P/E: 12.4	**NZX Code:** THL **Share Price:** $3.93 **12mth Target:** $4.61 **Projected return (%)** Capital gain 17.3% Dividend yield (Net) 2.0% **Total return** 19.3% **Rating: OVERWEIGHT** 52-week price range: 2.22-4.34

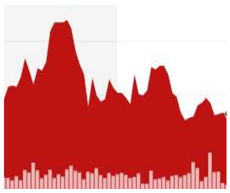


Turners Automotive Group Research: 8th March

TRA has provided updated guidance with a modest increase to "at least $44.0m" from previous guidance of "at least or slightly above" FY22 ($43.1m), whilst highlighting that there have been no significant changes to the market dynamics outlined at the 1H23 results. TRA continues to see ongoing strength in the Auto Retail division, with market share growth across new and existing sites alongside stable margins. Arrears ticked up in December and January but improved in February in line with seasonal trends. Claims have tracked below expectations in the Insurance business, whilst debt load in the Credit Management business remains subdued.
2023 P/E: 8.8 2024 P/E: 9.3

NZX Code:	**TRA**
Share Price:	**$3.44**
12mth Target:	**$4.43**
Projected return (%)	
Capital gain	28.8%
Dividend yield (Net)	6.8%
Total return	**35.6%**

Rating: OVERWEIGHT
52-week price range: 3.10-3.93

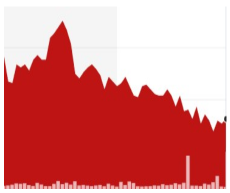


Vector Research: 6th February

VCT is due to report its 1H23 results on 21 February. The company recently announced the conditional sale of 50% of its metering business, which it expects to generate gross proceeds of $1.74b. This frees up significant balance sheet capacity to fund an elevated capex outlook to support electrification, while the meters partnership also allows VCT to participate in the expected Australian meters opportunity (subject to regulatory enablers) without the need for additional capital from VCT. 2023 P/E: 9.6 2024 P/E: 9.8

NZX Code:	**VCT**
Share Price:	**$4.00**
12mth Target:	**$4.40**
Projected return (%)	
Capital gain	10.0%
Dividend yield (Net)	6.8%
Total return	**16.8%**

Rating: OVERWEIGHT
52-week price range: 3.85-4.82



Vista Group International Research: 2nd March

VGL reported a solid FY22 result, delivering revenue and cash flow ahead of market expectations as the company continues to benefit from a recovery in box office activity. VGL reported FY22 revenue of $135m, at the top end of its guidance range and up +38% on the pcp. Encouragingly, the revenue base continues to improve with FY22 recurring revenue of $112m, representing 83% of total revenue. Supporting revenue was a recovery in global box office activity through the period, achieving c.60% of 2019 levels. 2023 box office to date has continued that recovery profile, albeit with a low level of releases. VGL reported further rationalisation in cinema sites in FY22, with total screens outside Asia down -1.7%, led by a -3.2% drop in USA. Positively, VGL is gaining share in Europe, and grew sites +1.4%. We expect VGL's cinema site count to stabilise in FY23, with the USA to see further screen declines but offset by growth in other markets.
2023 P/E: (87.1) 2024 P/E: (797.2)

NZX Code:	**VGL**
Share Price:	**$1.31**
12mth Target:	**$1.90**
Projected return (%)	
Capital gain	45.0%
Dividend yield (Net)	0.0%
Total return	**45.0%**

Rating: OVERWEIGHT
52-week price range: 1.20-2.00

BROKER PICKS FOR 2023 – year to date AS AT 10TH MAY 2023

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		MSL Capital Marekts	
Contact Energy	2.3%	Contact Energy	2.3%	Chorus	5.5%	Infratil	9.1%	Auckland Int Airport	13.2%	Auckland Int Airport	13.2%	AFT Pharmaceuticals	(8.2%)
Fletcher Building	0.6%	Delegat Group	(5.7%)	Ebos Group	3.2%	Oceania Healthcare	(9.2%)	Genesis Energy	7.4%	Contact Energy	2.3%	Air NZ	1.3%
Infratil	9.1%	Infratil	9.1%	Meridian	5.2%	Spark	(3.5%)	Infratil	9.1%	Ebos Group	3.2%	Arvida Group	(9.6%)
Port of Tauranga	4.5%	Pacific Edge	(16.0%)	Spark	(3.5%)	Tourism Holdings	13.6%	Investore Property	(4.0%)	Fletcher Building	0.6%	Mercury	18.6%
Tourism Holdings	13.6%	Tourism Holdings	13.6%	Tourism Holdings	13.6%	Vulcan Steel	(7.9%)	NZX Group	(4.1%)	Vector	(3.1%)	NZ Rural Land	(23.1%)
TOTAL CHANGE	6.0%		0.7%		4.8%		0.4%		4.3%		3.2%		(4.2%)
NZ50 Index	4.5%		4.5%		4.5%		4.5%		4.5%		4.5%		4.5%
+/- NZ50 Index	1.6%		(3.8%)		0.3%		(4.1%)		(0.2%)		(1.2%)		(8.7%)

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

JARDEN'S NZ LISTED COMPANIES Recommendations

SELL		UNDERWEIGHT		NEUTRAL		OVERWEIGHT		BUY	
		AIA	EBO	AFT	BGP	AIR	DGL	CEN	CVT
		RYM	GMT	ARV	CHI	APL	HGH	FBU	SKC
		SEK	OCA	ATM	CNU	ARG	MCY	KMD	
			PCT	GTK	ERD	FPH	MHJ		
			VHP	KPG	IPL	FRW	PEB		
			WHS	MNW	MEL	FSF	SKL		
				NZK	MFT	GNE	SKT		
				NZL	NZX	IFT	SUM		
				PGW	PFI	NZM	THL		
				RBD	POT	SCL	TRA		
				SAN	SKO	SML	VGL		
					SPG	SPK			
					STU	VCT			
					VSL				

JARDEN'S AUSTRALIAN LISTED COMPANIES Recommendations

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

JARDEN'S GLOBALLY LISTED COMPANIES Recommendations

LEAST PREFERRED			NEUTRAL			MOST PREFERRED		
3M Co	Volkswagen	BP	Adobe	AT&T	Berkshire H.	AIA Group	Amazon	Abbott Labs
	Toyota	Disney	Alibaba	Caterpillar	Deere & Co	Air Liquide	Apple	ASML
	Samsung	Straumann	Bank of Am.	Citigroup	Lululemon	Schneider	Hershey	Danaher
	TSMC	Tesla	Goldmans	ExxonMobil	Merck & Co	Edwards Life	Enphase	MasterCard
		Walmart	Salesforce	GlaxoSmith	Netflix	J&J	Visa	United Health
		Micron Tech.	Blackstone	Alphabet	Meta	Mondelez	Nike	JP Morgan
				Siemens	Morgan Stan	Zoetis	PayPal	Tencent
					Blackrock	Conocophil		

JARDEN'S NZ LISTED COMPANIES: EARNINGS TABLE

AS AT 8TH MAY 2023

New Zealand Listed Companies Earnings Table	Ticker	Rec.	Market Cap	Price 8-May-23	Target Price	Adjusted NPAT			Adjusted EPS			Price Earnings		pbook	EV/EBITDA		Net Yield		Gross Yield	
at 8-May-2023			NZ$m	NZ$	NZ$	FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF
COMMUNICATION SERVICES																				
Chorus	CNU	N	3,763.4	8.65	7.45	29.7	48.9	51.2	6.7	11.2	11.8	82.0x	77.7x	5.6x	9.8x	9.7x	5.40%	5.60%	5.40%	5.60%
NZME	NZM	O	196.8	1.05	1.26	21.9	25.1	25.9	11.6	13.5	14.0	8.6x	8.1x	1.4x	4.9x	4.8x	9.90%	10.20%	13.70%	14.10%
SKY Network Television	SKT	O	388.3	2.66	2.80	50.6	49.3	49.9	32.2	35.2	35.7	7.7x	7.6x	0.8x	2.5x	2.5x	5.60%	5.60%	7.80%	7.80%
Spark New Zealand	SPK	O	9,653.7	5.19	5.11	444.4	477.9	477.2	24.0	26.3	26.4	20.0x	19.8x	5.5x	9.2x	9.0x	5.20%	5.40%	7.20%	7.50%
CONSUMER DISCRETIONARY																				
Briscoe Group	BGP	N	1,002.4	4.50	4.90	78.6	77.4	79.3	35.3	34.8	35.6	12.8x	12.8x	3.0x	7.4x	7.4x	6.2%	6.2%	8.6%	8.6%
KMD Brands	KMD	B	775.4	1.09	1.30	51.1	67.6	76.7	7.2	9.5	10.8	12.2x	11.2x	0.9x	8.7x	8.2x	5.9%	6.1%	6.4%	6.6%
Michael Hill International	MHJ	O	379.7	1.09	1.50	49.5	46.1	47.6	12.9	12.1	12.5	8.9x	8.8x	1.8x	3.4x	3.3x	8.2%	8.4%	11.4%	11.7%
My Food Bag	MFB	B	46.5	0.19	0.55	9.3	10.2	10.4	3.8	4.2	4.3	4.6x	4.5x	0.7x	3.3x	3.2x	15.8%	17.0%	15.8%	17.0%
Restaurant Brands New Zealan	RBD	N	910.7	7.29	7.00	45.9	55.2	63.3	36.8	44.2	50.7	18.5x	17.0x	2.7x	8.8x	8.4x	2.4%	2.7%	2.4%	2.7%
SKYCITY Entertainment Group	SKC	B	1,725.7	2.27	3.40	141.7	152.1	161.8	18.6	20.0	21.3	11.5x	11.1x	1.0x	6.2x	6.0x	7.2%	7.9%	10.0%	11.0%
The Warehouse Group	WHS	U	603.5	1.72	1.95	24.3	53.2	60.7	7.0	15.4	17.6	12.8x	11.3x	1.4x	5.4x	5.2x	5.3%	6.2%	7.4%	8.6%
Tourism Holdings	THL	O	909.8	4.25	4.61	54.3	62.0	70.2	26.2	31.0	33.5	14.0x	13.4x	1.6x	6.0x	5.6x	4.0%	4.3%	4.8%	5.2%
CONSUMER STAPLES																				
The A2 Milk Company	ATM	N	4,122.5	5.76	6.10	148.0	162.6	192.3	20.2	22.5	26.6	26.0x	23.9x	3.1x	14.8x	13.8x	-	-	-	-
Comvita	CVT	B	205.5	3.00	4.50	13.5	18.1	27.3	19.3	25.9	39.1	12.0x	9.7x	0.8x	7.6x	6.6x	3.3%	4.4%	4.5%	6.2%
Delegat Group	DGL	O	965.8	9.55	12.10	59.9	64.9	73.7	59.3	64.2	72.9	15.0x	14.1x	1.7x	10.7x	10.2x	2.3%	2.4%	3.2%	3.4%
Fonterra Shareholders' Fund	FSF	O	390.6	3.74	3.84	1,147.8	620.0	617.1	71.3	38.5	38.3	8.1x	8.9x	0.1x	0.2x	0.2x	6.9%	6.5%	6.9%	6.5%
NZ King Salmon Investments	NZK	N	111.0	0.21	0.24	11.1	9.3	10.0	2.0	1.7	1.9	10.9x	11.4x	0.6x	4.6x	4.8x	1.3%	3.0%	1.8%	4.2%
Sanford	SAN	N	378.7	4.05	4.35	31.4	33.9	37.1	33.6	36.3	39.7	11.5x	11.0x	0.5x	6.3x	6.0x	3.4%	3.7%	4.7%	5.1%
Scales Corporation	SCL	O	467.9	3.25	3.90	18.9	34.9	39.7	13.3	24.4	27.8	18.9x	15.2x	1.2x	6.6x	5.9x	3.2%	4.0%	4.5%	5.6%
Seeka	SEK	U	113.4	2.70	2.85	(1.8)	15.3	19.7	(4.4)	36.5	46.9	27.2x	10.8x	0.4x	6.7x	5.7x	1.9%	4.0%	2.7%	5.6%
Synlait Milk	SML	O	312.6	1.43	2.35	4.0	31.1	54.5	1.9	14.2	24.9	12.6x	8.5x	0.4x	6.7x	6.0x	-	2.0%	-	2.0%
ENERGY																				
Channel Infrastructure NZ	CHI	N	545.4	1.44	1.46	24.1	36.4	38.2	6.4	9.8	10.2	19.0x	16.4x	1.1x	8.7x	8.1x	8.0%	8.7%	8.0%	8.7%
FINANCIALS																				
Heartland Group Holdings	HGH	O	1,092.9	1.55	2.27	110.0	111.6	121.0	16.0	15.7	16.9	9.8x	9.5x	1.0x	18.0x	17.3x	7.6%	8.0%	10.6%	11.1%
NZX	NZX	N	374.5	1.13	1.30	16.7	16.6	17.2	5.3	5.2	5.4	21.5x	21.5x	3.1x	10.6x	10.3x	5.4%	5.4%	7.5%	7.5%
Turners Automotive Group	TRA	O	292.2	3.40	4.43	32.5	30.6	35.3	37.7	35.6	41.0	9.4x	8.8x	1.1x	7.9x	7.7x	6.9%	7.3%	9.5%	10.2%
HEALTH CARE																				
AFT Pharmaceuticals	AFT	N	346.1	3.26	3.80	12.9	21.9	24.2	12.3	20.8	23.1	15.5x	14.6x	3.8x	10.9x	10.4x	1.9%	2.1%	2.6%	3.0%
Ebos Group	EBO	U	8,466.6	44.68	41.00	276.9	301.3	312.3	145.7	158.1	163.8	28.6x	28.0x	3.5x	14.8x	14.5x	2.4%	2.6%	2.6%	2.8%
Fisher & Paykel Healthcare	FPH	O	15,643.3	26.80	25.50	240.1	302.5	420.8	41.4	52.1	72.5	49.4x	42.7x	8.8x	29.0x	25.6x	1.5%	1.5%	2.1%	2.1%
Pacific Edge	PEB	O	356.6	0.45	0.75	(25.7)	(28.2)	(20.2)	(3.2)	(3.5)	(2.5)	(13.1x)	(15.7x)	7.3x	(10.0x)	(12.1x)	-	-	-	-
HEALTH CARE PROVIDERS & SERVICES																				
Arvida Group	ARV	N	738.0	1.03	1.14	90.1	96.1	114.8	12.5	13.3	15.9	7.6x	7.0x	0.5x	77.3x	63.4x	5.3%	5.3%	5.3%	5.3%
Oceania Healthcare	OCA	U	497.2	0.68	0.66	51.6	62.1	80.2	7.3	8.7	11.3	7.6x	6.8x	0.5x	30.9x	26.6x	6.5%	6.5%	6.5%	6.5%
Ryman Healthcare	RYM	U	3,644.5	5.26	4.89	283.9	324.0	367.5	56.4	47.1	53.4	11.0x	10.4x	0.8x	131.1x	106.6x	1.4%	1.4%	1.4%	1.4%
Summerset Group Holdings	SUM	O	1,891.7	8.13	9.50	156.3	175.8	215.3	67.2	74.9	91.0	11.6x	10.8x	0.8x	84.3x	70.2x	2.8%	2.8%	2.8%	2.8%
INDUSTRIALS																				
PGG Wrightson	PGW	N	330.6	4.38	4.15	14.9	14.9	20.5	19.7	19.7	27.2	22.2x	19.1x	2.0x	9.0x	8.5x	5.9%	6.1%	8.2%	8.5%
Skellerup Holdings	SKL	O	931.3	4.80	6.10	51.0	56.5	64.0	26.1	28.9	32.7	16.8x	15.8x	4.0x	10.8x	10.3x	4.9%	5.3%	6.9%	7.4%
CONSTRUCTION MATERIALS																				
Fletcher Building	FBU	B	3,680.3	4.82	6.50	458.2	367.5	381.5	58.7	47.1	48.9	9.9x	9.9x	1.0x	6.2x	6.1x	6.5%	6.6%	9.1%	9.1%
Metro Performance Glass	MPG	R	27.1	0.15	-	-	-	-	-	-	-				-	-	-	-	-	-
Steel & Tube Holdings	STU	N	176.9	1.04	1.38	23.0	18.2	19.5	13.8	11.0	11.7	9.1x	9.0x	0.8x	5.9x	5.9x	8.5%	8.2%	11.7%	11.4%
Vulcan Steel	VSL	N	1,023.7	8.20	9.30	107.0	90.0	94.3	81.4	68.5	71.8	11.7x	11.6x	4.3x	8.7x	8.7x	6.7%	6.8%	7.9%	8.0%
TRANSPORTATION & LOGISTICS																				
Air New Zealand	AIR	O	2,560.0	0.76	0.85	407.4	286.3	296.2	12.1	8.5	8.8	8.4x	8.5x	1.2x	3.3x	3.2x	6.7%	7.1%	9.3%	9.9%
Auckland International Airport	AIA	U	12,887.2	8.69	7.65	143.1	299.4	347.6	9.7	20.3	23.6	46.3x	41.5x	1.5x	23.9x	21.5x	1.8%	1.9%	2.5%	2.7%
Freightways	FRW	O	1,646.6	9.35	10.48	82.8	90.5	102.9	47.5	51.1	58.1	18.5x	17.4x	3.3x	9.4x	9.0x	4.5%	4.8%	6.3%	6.6%
Mainfreight	MFT	O	7,149.6	70.26	80.00	425.6	360.5	374.3	422.7	358.0	371.7	19.5x	19.1x	3.8x	10.0x	9.7x	2.4%	2.5%	3.4%	3.4%
Port of Tauranga	POT	N	4,320.3	6.34	6.40	121.1	135.5	143.1	18.0	20.1	21.3	32.0x	31.0x	2.0x	21.4x	20.7x	2.7%	2.8%	3.8%	3.9%
INFORMATION TECHNOLOGY																				
EROAD	ERD	N	62.1	0.55	1.20	(15.5)	(3.2)	3.5	(14.0)	(2.9)	3.1	(24.3x)	-	0.3x	2.5x	2.3x	-	-	-	-
Gentrack Group	GTK	O	346.9	3.45	3.60	5.7	7.6	15.4	5.7	7.6	15.4	50.4x	36.0x	2.0x	17.3x	15.0x	-	-	-	-
Pushpay Holdings	PPH	N	1,610.7	1.41	1.42	21.6	34.6	42.2	1.9	3.0	3.7	45.9x	41.5x	7.0x	17.9x	16.8x	-	-	-	-
Serko	SKO	N	268.6	2.23	3.15	(37.9)	(30.1)	(6.6)	(31.6)	(25.1)	(5.5)	(9.7x)	(15.2x)	3.3x	(9.4x)	(18.3x)	-	-	-	-
Vista Group International	VGL	O	307.1	1.30	1.90	(3.9)	(0.4)	4.8	(1.7)	(0.2)	2.1	(110.7x)	-	2.1x	22.0x	16.9x	-	-	-	-
REAL ESTATE																				
Asset Plus	APL	O	88.9	0.25	0.32	(1.1)	(1.2)	4.0	(0.3)	(0.3)	1.1	(166.2x)	56.5x	0.7x	58.0x	35.7x	-	0.3%	-	0.4%
Argosy Property	ARG	O	922.9	1.08	1.17	61.3	56.2	62.1	7.2	6.6	7.3	16.2x	15.5x	0.8x	15.3x	15.0x	6.3%	6.3%	8.7%	8.7%
Goodman Property Trust	GMT	U	2,988.9	2.14	2.02	108.9	112.3	118.0	7.8	8.0	8.4	26.6x	25.9x	0.9x	23.4x	21.9x	2.8%	2.9%	3.9%	4.0%
Investore Property	IPL	N	521.9	1.43	1.52	30.9	33.6	33.1	8.4	9.1	9.0	15.7x	15.8x	0.8x	16.4x	15.8x	5.6%	5.6%	7.8%	7.8%
Kiwi Property Group	KPG	N	1,398.3	0.91	0.96	101.7	95.4	100.4	6.5	6.1	6.4	14.8x	14.4x	0.8x	16.5x	15.7x	6.4%	6.4%	8.9%	8.9%
Precinct Properties NZ	PCT	U	1,950.6	1.23	1.17	109.2	108.1	107.4	6.9	6.8	6.8	18.0x	18.1x	0.9x	21.5x	20.5x	5.4%	5.4%	7.6%	7.6%
Property for Industry	PFI	N	1,175.0	2.32	2.18	47.3	52.8	56.5	9.4	10.5	11.3	23.7x	22.6x	0.9x	20.6x	19.8x	3.6%	3.7%	5.0%	5.1%
Stride Property & Investment M	SPG	N	706.6	1.30	1.52	57.4	56.5	58.1	10.6	10.3	10.4	12.6x	12.6x	0.7x	13.3x	13.4x	6.2%	6.2%	8.6%	8.6%
Vital Healthcare Property Trust	VHP	U	1,536.3	2.34	2.20	75.3	77.7	80.1	11.5	11.7	11.9	20.0x	19.8x	0.9x	22.3x	20.6x	4.2%	4.2%	5.8%	5.9%
NZ Rural Land Company	NZL	N	120.0	0.86	1.13	6.0	8.8	9.3	3.9	5.7	6.0	15.8x	15.1x	0.5x	15.1x	14.3x	5.6%	5.8%	7.8%	8.1%
UTILITIES																				
Contact Energy	CEN	B	6,193.4	7.92	9.49	166.1	197.9	233.6	21.2	25.3	29.8	32.1x	29.4x	2.4x	12.3x	11.4x	4.4%	4.5%	5.4%	5.6%
Genesis Energy	GNE	O	2,892.2	2.72	3.25	144.9	129.4	122.4	13.8	12.3	11.7	21.7x	22.3x	1.1x	8.5x	8.7x	6.7%	6.8%	8.7%	8.8%
Infratil	IFT	O	6,700.5	9.24	9.95	577.0	29.2	80.3	79.7	4.0	11.1	194.2x	132.8x	1.7x	25.6x	25.7x	2.2%	2.1%	3.0%	2.9%
Manawa Energy	MNW	N	1,552.3	4.94	5.23	77.3	62.7	70.6	24.7	20.0	22.6	24.4x	23.0x	1.2x	14.9x	14.4x	3.3%	3.3%	4.6%	4.6%
Mercury NZ	MCY	O	8,937.9	6.37	7.13	224.5	206.6	320.4	16.0	14.8	22.9	42.5x	34.7x	1.9x	13.3x	12.5x	3.7%	4.0%	5.1%	5.5%
Meridian Energy	MEL	N	13,820.0	5.35	5.67	311.3	338.2	450.4	12.1	13.1	17.4	41.3x	36.0x	2.4x	18.5x	16.9x	3.5%	3.6%	3.5%	3.6%
Vector	VCT	O	3,980.0	4.01	4.30	166.2	208.7	217.0	16.6	20.9	21.7	19.8x	19.2x	1.0x	12.7x	12.4x	4.7%	4.8%	5.1%	5.3%

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 4TH MAY 2023

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
My Food Bag	B	$0.20	35.4%	15.2%	15.2%	17.7%	1.2x	1.3x	1.4x	1.2x	-4.2%
NZME	O	$1.08	18.0%	12.9%	14.1%	14.1%	0.9x	1.2x	1.2x	1.3x	0.0%
Steel and Tube	N	$1.07	12.1%	13.6%	11.0%	10.6%	1.3x	1.3x	1.3x	1.4x	20.1%
Michael Hill	O	$1.09	8.9%	10.1%	10.7%	11.3%	1.6x	1.5x	1.3x	1.3x	-47.0%
Heartland Group	O	$1.57	9.7%	9.7%	10.6%	11.5%	1.5x	1.5x	1.3x	1.3x	557.8%
Sky City	B	$2.30	-	7.2%	10.3%	12.1%	-	1.6x	1.2x	1.1x	35.9%
Air New Zealand	O	$0.76	-	6.7%	9.6%	10.6%	-	3.3x	1.6x	1.5x	-15.1%
Kiwi Property Group	N	$0.91	9.2%	9.3%	9.5%	9.5%	1.1x	1.1x	1.0x	1.1x	0.0%
Turners	O	$3.37	9.5%	9.5%	9.5%	10.9%	1.6x	1.6x	1.5x	1.5x	151.4%
Stride	N	$1.29	11.5%	9.3%	9.3%	9.4%	1.1x	1.3x	1.3x	1.3x	-0.9%
Fletcher Building	B	$4.59	12.1%	12.1%	9.1%	9.7%	1.5x	1.5x	1.6x	1.5x	18.1%
The Warehouse Group	U	$1.73	16.1%	2.4%	8.8%	10.0%	1.3x	2.3x	1.4x	1.4x	9.9%
Briscoe Group	N	$4.45	8.7%	8.7%	8.7%	8.7%	1.4x	1.3x	1.2x	1.3x	-48.6%
Genesis Energy	O	$2.71	8.4%	8.5%	8.7%	8.9%	0.6x	0.8x	0.7x	0.6x	50.4%
Investore Property	N	$1.40	8.4%	8.4%	8.5%	8.5%	1.0x	1.1x	1.1x	1.1x	0.0%
Argosy Property	O	$1.10	8.2%	8.4%	8.5%	8.6%	1.2x	1.1x	1.0x	1.1x	-0.1%
PGG Wrightson	N	$4.35	9.6%	7.7%	8.3%	8.9%	1.1x	0.8x	0.8x	1.0x	0.0%
Precinct Properties	U	$1.23	8.1%	8.1%	8.1%	8.1%	1.0x	1.0x	1.0x	1.0x	0.0%
NZ Rural Land Co	N	$0.86	3.3%	6.5%	8.1%	8.5%	1.3x	1.0x	1.1x	1.1x	0.0%
Sky Network Television	O	$2.64	3.8%	7.9%	7.9%	7.9%	3.9x	2.1x	2.3x	2.4x	0.0%
Vulcan Steel	N	$8.39	10.4%	8.4%	7.6%	8.0%	1.5x	1.5x	1.2x	1.2x	85.0%
NZX	N	$1.15	7.4%	7.4%	7.4%	7.4%	0.8x	0.9x	0.8x	0.9x	-1.3%
Spark	O	$5.15	6.7%	7.3%	7.3%	7.8%	0.9x	0.9x	1.0x	0.9x	78.3%
Channel Infrastructure	N	$1.44	-	4.9%	7.3%	9.4%	-	0.5x	0.6x	0.7x	51.8%
Skellerup	O	$4.87	5.8%	6.3%	6.8%	8.0%	1.2x	1.2x	1.2x	1.2x	0.0%
Kathmandu	B	$1.10	5.5%	5.5%	6.7%	7.7%	0.9x	1.4x	1.4x	1.4x	4.6%
Scales Corporation	O	$3.12	5.3%	3.6%	6.7%	7.6%	1.6x	1.7x	1.6x	1.6x	-6.7%
New Zealand King Salmon	N	$0.21	-	-	6.6%	6.6%	-	-	1.7x	1.9x	-9.4%
Vital Healthcare	U	$2.28	6.3%	6.4%	6.4%	6.5%	1.2x	1.2x	1.2x	1.2x	-1.2%
Fonterra	O	$3.60	5.6%	9.7%	6.4%	6.4%	1.8x	2.0x	1.7x	1.7x	1.2%
Oceania Healthcare	U	$0.69	6.4%	6.4%	6.4%	6.4%	2.1x	1.7x	2.0x	2.6x	0.0%
Freightways	O	$9.45	5.4%	5.7%	6.3%	6.9%	1.2x	1.2x	1.2x	1.2x	0.0%
Contact Energy	B	$7.82	5.6%	5.0%	5.6%	5.8%	0.6x	0.6x	0.7x	0.8x	35.3%
Chorus	N	$8.58	4.1%	5.0%	5.5%	5.8%	0.3x	0.2x	0.2x	0.2x	266.9%
Property For Industry	N	$2.32	5.2%	5.3%	5.5%	5.7%	1.2x	1.1x	1.2x	1.3x	0.0%
Arvida	N	$1.01	5.4%	5.4%	5.4%	5.4%	2.2x	2.3x	2.4x	2.9x	0.0%
Vector	O	$3.99	4.6%	4.9%	5.2%	5.5%	1.1x	0.9x	1.1x	1.1x	80.8%
Tourism Holdings	O	$4.31	-	1.9%	5.2%	5.6%	-	3.3x	1.7x	1.7x	10.4%
Sanford	N	$4.05	3.4%	4.1%	5.1%	5.8%	2.3x	2.8x	2.4x	2.3x	5.2%
Mercury	O	$6.41	4.3%	4.7%	5.1%	6.0%	0.5x	0.7x	0.6x	0.8x	39.3%
Comvita	B	$2.88	2.7%	2.7%	5.1%	8.7%	3.6x	3.5x	2.5x	2.2x	-7.6%
Manawa Energy	N	$4.93	19.2%	4.5%	4.6%	4.6%	0.6x	1.5x	1.2x	1.4x	58.2%
Goodman Property	U	$2.10	3.9%	4.2%	4.3%	4.4%	1.3x	1.3x	1.3x	1.4x	0.0%
Port of Tauranga	N	$6.31	3.2%	3.4%	3.9%	4.1%	1.1x	1.2x	1.1x	1.1x	5.6%
Mainfreight	N	$71.30	2.8%	3.3%	3.5%	3.8%	2.5x	2.5x	2.0x	2.0x	-11.3%
Meridian Energy	N	$5.40	3.2%	3.3%	3.5%	3.7%	0.5x	0.7x	0.7x	0.9x	13.5%
Delegat's Group	O	$9.11	3.0%	3.2%	3.4%	3.8%	2.9x	2.8x	2.9x	2.9x	0.0%
Summerset	O	$8.19	2.7%	2.8%	2.8%	2.8%	3.3x	3.0x	3.3x	4.0x	0.0%
Infratil	O	$9.44	1.9%	2.6%	2.7%	2.9%	(0.2x)	4.2x	0.2x	0.5x	56.1%
Restaurant Brands	N	$7.55	2.1%	2.1%	2.6%	3.2%	1.6x	2.3x	2.2x	2.1x	78.5%
Auckland Airport	U	$8.65	-	1.6%	2.6%	3.0%	-	1.0x	1.3x	1.3x	5.9%
Ebos	U	$43.80	2.0%	2.2%	2.5%	2.8%	1.5x	1.5x	1.4x	1.3x	38.3%
AFT Pharmaceuticals	N	$3.37	-	1.2%	2.5%	2.9%	-	4.1x	3.5x	3.3x	42.0%
Fisher & Paykel Healthcare	O	$27.50	2.0%	2.0%	2.1%	2.1%	1.6x	1.0x	1.3x	1.7x	-0.9%
Ryman Healthcare	U	$5.26	4.3%	1.7%	1.4%	1.5%	2.3x	6.4x	6.3x	6.9x	-0.6%
Asset Plus	O	$0.25	6.9%	-	-	-	1.0x	-	-	-	0.0%
a2 Milk	N	$5.72	-	-	-	-	-	-	-	-	-65.9%
Eroad	N	$0.55	-	-	-	-	-	-	-	-	1.5%
Gentrack	N	$3.40	-	-	-	2.2%	-	-	-	2.1x	-16.5%
Pacific Edge	O	$0.45	-	-	-	-	-	-	-	-	-132.3%
Pushpay	N	$1.41	-	-	-	-	-	-	-	-	24.6%
Seeka	U	$2.63	13.7%	-	-	7.9%	0.9x	-	-	2.4x	0.0%
Serko	N	$2.29	-	-	-	-	-	-	-	-	-110.2%
Synlait	O	$1.54	-	-	-	4.9%	-	-	-	3.3x	45.4%
MEDIAN			**4.5%**	**4.9%**	**5.6%**	**6.4%**	**1.2x**	**1.3x**	**1.3x**	**1.3x**	**0.0%**

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

NEUTRAL VIEW ON AUSTRALIAN EQUITIES

We also have a neutral view on Australian Equities. Domestically orientated companies, particularly in retail and construction-related areas, are vulnerable to a weakening in domestic economic conditions. Australian consumer spending is likely to be dampened by the lagged impact of higher mortgage interest rates, while a soft housing market is likely to cause construction activity to retract.

However, the worst may be over for Australian banks, which make up around 27% of the local market. While a weakening local economy may crimp loan growth and bank earnings, strong financial positions, high dividend yields, and improved valuation multiples are likely to provide some support for banks' share prices. There may also be upside for companies exposed to a potential rebound in Australia-China trade, a significant proportion of which are resources companies.

Australian equity valuation multiples remain low compared to history. In addition, the equity risk premium for Australian equities is significantly above its historical median, suggesting Australian equities have sound valuation support.

THE ENERGY TRANSITION AND WHAT'S NEEDED

To truly engage with the issue, investors should adopt a more discerning approach, differentiating between mining practices and embracing the companies that contribute positively to the energy transformation.

The renewable energy transition hinges on the availability of essential metals, yet their supply remains constrained, posing challenges for this shift. Addressing this issue necessitates investments in new production methods and technologies, including traditional mining, recycling, and alternative materials development.

However, current capital flows into raw materials production are insufficient, leading to supply shortages and escalating prices.

As countries and companies increasingly adopt renewables, demand for these metals is set to surge. Inadequate investment in production innovation could exacerbate supply deficits and price hikes, potentially stalling or derailing the energy transition. Therefore, securing the supply of crucial metals through targeted investments is vital to facilitating a smooth, efficient renewable energy transition.

GLOBAL INVESTMENT OPPORTUNITIES

IGO (IGO.AU)

IGO's earnings will be broadly split 70% lithium, 30% nickel. IGO is a diversified raw material supplier of key battery grade metals. The company's market position is somewhat unique in that it is also developing downstream capabilities to participate in the higher value part of the supply chain where nickel, copper, manganese, and lithium all come together to form the precursory material used in battery cell manufacturing.

South32 (S32.AU)

South32 is making a clear shift towards 'future facing metals', transitioning its portfolio of assets from producing 50/50 metals/bulks, to 85/15 metals/bulks (coal and manganese ore). The strategy is based on a long-term conviction that commodities like copper, zinc, aluminium, and battery grade manganese, will benefit from structural growth provided by the energy transition that is pointing to potentially higher long-term prices.

BHP Group (BHP.AU)

BHP has mined nearly every mineral on earth but has a clear strategy to produce 'future-facing' commodities the world needs for economic growth and decarbonisation. As such, the company is targeting more exposure to copper, nickel, and potash, to sit alongside its very large iron ore business. Potash will be a vital raw material for more efficient agricultural practices to feed the worlds growing population.

Iberdrola (IBE.MC)

The Spanish-based utility company is the world's largest wind farm operator with operations in Spain, Brazil, Mexico, and the U.S. Whilst owning and operating wind farms is 66% of their business, they have been growing their electricity network business which is becoming an increasingly crucial part of the overall electricity supply equation.

Albemarle (ALB.US)

Boasts a portfolio of best-in-class assets and resources which are located in the U.S., Chile, Argentina, and Australia. They are the leading global supplier of lithium by volume giving it pricing power in the lithium market.

Combined with its ancillary offerings of bromine, and catalysts gives the company diversified sources of cashflow.

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Liberty Financial Group Limited	N	$3.93	12.5%	10.7%	10.2%	10.4%	1.5x	1.5x	1.4x	1.4x
Magellan Financial Group Limited	U	$8.03	22.3%	10.2%	7.0%	6.4%	1.2x	1.3x	1.5x	1.7x
Centuria Office REIT	U	$1.43	11.6%	9.9%	10.1%	10.5%	1.1x	1.1x	1.1x	1.1x
Autosports Group Limited	O	$2.30	7.0%	8.6%	8.1%	7.6%	1.7x	1.7x	1.7x	1.7x
Peter Warren Automotive Holdings Limite	B	$2.55	8.6%	8.4%	8.1%	7.5%	1.6x	1.6x	1.6x	1.6x
Adairs Limited	O	$2.27	7.9%	7.9%	8.4%	9.3%	1.7x	1.5x	1.5x	1.5x
Resimac Group Limited	U	$0.95	8.4%	7.9%	6.8%	7.3%	3.1x	2.8x	2.7x	2.7x
Platinum Asset Management Limited	U	$1.74	9.7%	7.8%	6.5%	5.9%	1.0x	1.2x	1.2x	1.2x
Pepper Money Limited	O	$1.30	8.1%	7.7%	7.7%	9.3%	4.3x	3.0x	3.1x	2.9x
Bank of Queensland Limited	O	$5.81	7.9%	7.2%	7.2%	7.6%	1.5x	1.5x	1.5x	1.5x
Bendigo and Adelaide Bank Limited	N	$8.45	6.3%	7.2%	7.3%	7.5%	1.5x	1.5x	1.3x	1.3x
Abacus Property Group	O	$2.59	6.9%	7.1%	7.0%	7.1%	1.1x	1.1x	1.1x	1.1x
Homeco Daily Needs REIT	O	$1.17	7.1%	7.1%	7.3%	7.5%	1.1x	1.0x	1.0x	1.0x
Charter Hall Retail REIT	O	$3.71	6.6%	6.9%	6.9%	7.2%	1.2x	1.1x	1.1x	1.1x
Centuria Capital Group Limited	O	$1.69	6.5%	6.9%	7.1%	7.4%	1.3x	1.3x	1.2x	1.3x
Dexus	U	$7.50	7.1%	6.8%	6.9%	7.2%	1.3x	1.3x	1.3x	1.3x
Insignia Financial Limited	O	$2.93	8.1%	6.7%	7.5%	8.3%	1.5x	1.6x	1.5x	1.5x
Charter Hall Long Wale REIT	U	$4.23	7.2%	6.7%	6.8%	6.8%	1.0x	1.0x	1.0x	1.0x
NRW Holdings Limited	O	$2.38	5.3%	6.6%	6.4%	6.7%	1.8x	1.8x	1.8x	1.8x
Australia & New Zealand Banking Group L	O	$24.03	6.1%	6.6%	6.7%	6.9%	1.5x	1.5x	1.5x	1.5x
Suncorp Group Limited	B	$12.40	3.2%	6.5%	6.5%	6.4%	1.3x	1.3x	1.2x	1.3x
Nick Scali Limited	U	$9.47	6.9%	6.5%	5.5%	5.8%	1.5x	1.4x	1.4x	1.4x
Harvey Norman Holdings Limited	U	$3.57	10.5%	6.4%	5.9%	5.9%	142.1%	1.4x	1.4x	1.4x
Westpac Banking Corporation	U	$22.16	5.6%	6.3%	6.5%	6.7%	1.1x	1.6x	1.5x	1.5x
Stockland Corporation Limited	U	$4.32	6.2%	6.3%	6.1%	6.3%	1.3x	1.3x	1.2x	1.2x
Accent Group Limited	N	$2.53	2.6%	6.2%	4.4%	4.8%	0.9x	1.4x	1.4x	1.4x
Pilbara Minerals Limited	S	$4.20	-	6.2%	2.4%	2.4%	0.0x	5.4x	4.4x	2.4x
JB Hi-Fi Limited	U	$45.48	6.9%	6.2%	4.6%	4.6%	1.5x	1.5x	1.5x	1.5x
Universal Store Holdings Limited	B	$4.45	4.8%	6.2%	7.4%	7.8%	1.3x	1.4x	1.4x	1.4x
CSR Limited	O	$5.32	5.9%	6.1%	5.7%	4.5%	1.3x	1.4x	1.4x	1.4x
Perpetual Limited	O	$24.13	8.7%	6.0%	8.7%	9.9%	1.2x	1.2x	1.2x	1.2x
National Australia Bank Limited	B	$28.55	5.3%	5.9%	5.9%	6.1%	1.4x	1.5x	1.5x	1.5x
Scentre Group	B	$2.80	5.6%	5.9%	6.2%	6.4%	1.2x	1.3x	1.4x	1.4x
Super Retail Group Limited	U	$13.45	5.2%	5.9%	4.9%	4.9%	1.5x	1.6x	1.6x	1.6x
Charter Hall Social Infrastructure	O	$2.93	5.9%	5.9%	6.0%	6.3%	1.0x	1.0x	1.0x	1.0x
GPT Group	U	$4.28	5.8%	5.8%	6.0%	6.1%	1.2x	1.3x	1.3x	1.3x
Metcash Limited	O	$3.88	5.5%	5.8%	5.7%	6.4%	1.4x	1.4x	1.5x	1.4x
Vicinity Centres	O	$2.03	5.1%	5.7%	5.7%	6.0%	1.3x	1.2x	1.2x	1.2x
Centuria Industrial REIT	U	$3.06	5.7%	5.2%	5.4%	5.5%	1.1x	1.1x	1.0x	1.0x
Orora Limited	O	$3.35	4.9%	5.2%	5.6%	6.1%	1.3x	1.3x	1.3x	1.2x
Estia Health Limited	B	$2.67	0.9%	5.1%	4.2%	5.2%	(1.5x)	1.2x	1.2x	1.2x
QBE Insurance Group Limited	B	$15.25	2.6%	4.9%	5.4%	5.6%	1.8x	1.1x	1.4x	1.4x
BWP Trust	U	$3.77	4.9%	4.8%	4.9%	5.0%	97.8%	98.4%	1.0x	1.0x
Eagers Automotive Limited	O	$13.74	5.2%	4.8%	4.3%	4.4%	1.8x	2.1x	2.4x	2.4x
Aurizon Holdings Limited	N	$3.43	6.2%	4.7%	5.2%	8.3%	1.3x	1.3x	1.3x	1.0x
Arena REIT	O	$3.61	4.4%	4.7%	4.9%	5.1%	1.0x	1.0x	1.0x	1.0x
Beacon Lighting Group Limited	O	$1.83	5.1%	4.6%	4.0%	4.3%	2.0x	1.7x	1.7x	1.7x
Mirvac Group	U	$2.28	4.5%	4.6%	4.6%	4.8%	1.5x	1.5x	1.4x	1.4x
Commonwealth Bank of Australia	N	$98.29	3.9%	4.5%	4.4%	4.5%	1.4x	1.3x	1.3x	1.3x
National Storage REIT	B	$2.44	4.1%	4.5%	4.8%	5.1%	1.1x	1.1x	1.1x	1.1x
AMP Limited	N	$1.13	2.2%	4.4%	5.3%	5.3%	0.0x	0.0x	0.7x	1.6x
Medibank Private Limited	O	$3.52	3.8%	4.4%	4.8%	4.9%	1.1x	1.2x	1.2x	1.2x
Emeco Holdings Limited	B	$0.68	1.8%	4.3%	8.6%	9.7%	10.6x	2.9x	2.5x	2.5x
IPH Limited	N	$8.09	3.8%	4.1%	4.4%	4.8%	1.3x	1.2x	1.2x	1.3x
Santos Limited	O	$6.97	3.3%	4.1%	2.7%	2.3%	3.1x	3.5x	1.5x	1.9x
Challenger Limited	O	$6.00	3.8%	4.0%	4.5%	4.9%	1.8x	2.0x	2.0x	2.0x

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Janus Henderson Group	U	$38.82	4.0%	4.0%	4.1%	4.2%	2.8x	1.5x	1.1x	1.2x
Transurban Group Limited	U	$14.49	2.8%	4.0%	4.5%	4.9%	0.0x	0.2x	0.3x	0.3x
Coles Group Limited	N	$18.06	3.5%	4.0%	3.7%	4.4%	1.2x	1.2x	1.3x	1.2x
Charter Hall Group	O	$10.83	3.7%	3.9%	4.2%	4.4%	2.9x	2.1x	2.1x	2.1x
Macmahon Holdings Limited	B	$0.14	4.8%	3.9%	5.0%	5.3%	3.7x	6.4x	5.8x	5.4x
Inghams Group Limited	S	$2.80	2.5%	3.9%	5.0%	6.0%	2.2x	1.4x	1.4x	1.4x
Nib Holdings Limited	O	$7.52	2.9%	3.9%	4.0%	4.1%	1.4x	1.5x	1.5x	1.5x
Mineral Resources Limited	U	$71.93	1.4%	3.8%	4.2%	1.9%	1.8x	2.3x	2.4x	2.0x
Premier Investments Limited	N	$25.60	3.9%	3.7%	3.5%	3.5%	1.4x	1.9x	1.8x	1.8x
Regis Healthcare Limited	B	$2.04	2.9%	3.7%	7.5%	6.3%	(0.2x)	1.0x	1.0x	1.0x
Monadelphous Group Limited	N	$12.28	4.0%	3.7%	4.5%	5.1%	1.1x	1.2x	1.1x	1.1x
Woodside Energy Group Limited	N	$32.63	7.8%	3.6%	4.0%	4.1%	1.2x	1.4x	1.3x	1.4x
Wesfarmers Limited	N	$51.44	3.5%	3.5%	3.5%	3.7%	1.1x	1.2x	1.2x	1.2x
Insurance Australia Group Limited	O	$4.95	2.2%	3.4%	5.3%	6.1%	0.8x	1.4x	1.3x	1.3x
ASX Limited	O	$68.49	3.5%	3.4%	3.6%	4.0%	1.1x	1.1x	1.1x	1.1x
Jumbo Interactive Limited	N	$13.58	3.1%	3.4%	3.5%	3.8%	1.2x	1.3x	1.3x	1.3x
Computershare Limited	O	$21.92	2.5%	3.3%	3.7%	3.7%	1.1x	1.5x	1.5x	1.5x
Helloworld Travel Limited	O	$2.99	-	3.3%	4.0%	4.0%	(1.8x)	2.8x	3.4x	3.3x
The Lottery Corporation Limited	S	$4.97	-	3.2%	3.4%	3.6%	0.0x	1.4x	1.0x	1.0x
Healthia Limited	B	$1.24	1.6%	3.2%	4.0%	4.8%	3.9x	3.7x	2.7x	2.6x
Endeavour Group Limited	U	$6.41	3.2%	3.2%	3.4%	3.9%	1.4x	1.4x	1.4x	1.3x
ALS Limited	O	$12.68	2.6%	3.0%	3.2%	3.5%	1.7x	1.7x	1.7x	1.7x
HMC Capital	O	$3.96	3.0%	3.0%	3.0%	3.2%	2.5x	2.0x	2.2x	2.4x
Domino's Pizza Enterprises Limited	O	$49.75	3.5%	2.9%	3.8%	4.6%	1.1x	1.2x	1.2x	1.2x
Treasury Wine Estates Limited	O	$13.75	2.3%	2.9%	3.3%	3.6%	1.3x	1.3x	1.3x	1.3x
Woolworths Group Limited	O	$38.96	2.4%	2.7%	3.0%	3.4%	1.3x	1.3x	1.3x	1.3x
Pact Group Holdings Limited	O	$1.00	5.0%	2.7%	8.5%	9.6%	4.0x	2.6x	2.4x	1.9x
Collins Foods Limited	N	$8.72	3.1%	2.6%	2.4%	3.1%	1.9x	1.7x	1.8x	1.7x
Brickworks Limited	N	$24.91	2.5%	2.6%	2.7%	2.8%	7.8x	3.9x	1.2x	1.9x
Steadfast Group Limited	N	$5.84	2.2%	2.6%	3.0%	3.1%	1.6x	1.6x	1.6x	1.6x
BlueScope Steel Limited	O	$19.41	2.6%	2.6%	2.6%	2.6%	10.9x	4.5x	3.1x	2.4x
Sonic Healthcare Limited	N	$35.79	2.8%	2.6%	2.8%	2.7%	3.3x	1.7x	1.6x	1.8x
Costa Group Holdings Limited	O	$2.52	1.9%	2.6%	2.1%	2.9%	1.6x	2.2x	2.4x	2.4x
Orica Limited	O	$15.77	2.2%	2.6%	2.9%	3.4%	2.2x	2.0x	2.0x	1.9x
Lovisa Holdings Limited	O	$26.20	2.8%	2.5%	2.8%	3.6%	0.7x	1.0x	1.2x	1.3x
IGO Limited	B	$13.80	0.7%	2.5%	2.9%	2.2%	3.4x	6.9x	4.9x	5.0x
Ingenia Communities Group Limited	O	$4.25	2.6%	2.5%	2.6%	2.7%	2.1x	2.1x	2.5x	2.6x
Amcor Public Limited	N	$14.91	3.2%	2.5%	3.2%	3.3%	1.7x	1.6x	1.7x	1.6x
Brambles Limited	N	$14.13	1.9%	2.5%	3.3%	3.5%	1.5x	1.4x	1.4x	1.4x
QUBE Holdings Limited	O	$3.08	2.0%	2.4%	2.9%	2.9%	1.6x	1.1x	1.1x	1.1x
Carsales.com Limited	U	$23.13	2.2%	2.4%	2.8%	3.0%	1.4x	1.2x	1.2x	1.2x
Reliance Worldwide Corporation Limited	N	$4.10	2.3%	2.3%	2.3%	2.6%	2.2x	1.9x	2.0x	2.0x
Lynch Group Holdings Limited	O	$1.77	6.8%	2.3%	7.9%	8.8%	1.7x	2.0x	2.0x	2.0x
AUB Group Limited	B	$26.79	2.1%	2.2%	3.6%	4.0%	1.8x	1.7x	1.6x	1.6x
Beach Energy Limited	O	$1.40	1.4%	2.2%	6.1%	10.8%	11.1x	7.5x	3.5x	2.4x
Tabcorp Holdings Limited	O	$1.06	6.1%	2.1%	2.4%	3.5%	0.3x	1.5x	1.6x	1.6x
Sims Limited	N	$14.81	6.1%	1.9%	1.8%	2.5%	313.7%	2.7x	3.3x	3.3x
SEEK Limited	O	$23.57	1.9%	1.9%	2.1%	2.4%	1.6x	1.5x	1.5x	1.5x
Netwealth Group Limited	N	$13.70	1.5%	1.7%	2.3%	2.7%	1.1x	1.2x	1.2x	1.2x
Cleanaway Waste Management Limited	O	$2.53	1.9%	1.7%	2.7%	3.2%	1.4x	2.0x	2.0x	2.0x
The Reject Shop Limited	B	$4.64		1.7%	6.0%	5.6%	0.0x	3.2x	4.9x	2.5x

Source: Jarden

1. The Net Debt/Equity ratio is calculated as Gross Debt less cash holdings divided by total shareholder funds. Negative ratios indicate a net cash position.

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

3. FY0 represents the current financial year.

BBB+, BBB, BBB-

Issuer	NZDX Code	Coupon	Maturity Date	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100
Wellington Intl Airport	WIA030	4.250	12/05/2023	2	BBB	Senior	10,000	5.965	99.97
Summerset	SUM010	4.780	11/07/2023	4	BBB-(NR)	Senior	5,000	6.578	100.07
GMT Bond Issuer	GMB050	4.000	1/09/2023	2	BBB+	Senior	5,000	6.455	100.00
Kiwi Property Group Limited	KPG020	4.000	7/09/2023	2	BBB+	Senior	5,000	6.641	99.64
Z Energy	ZEL050	4.320	1/11/2023	4	BBB-(NR)	Senior	5,000	6.432	99.12
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	-	-
Heartland Bank	HBL020	3.550	12/04/2024	4	BBB	Senior	5,000	6.630	97.54
Investore Property	IPL010	4.400	18/04/2024	4	BBB(NR)	Senior	5,000	7.090	97.64
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	-	-
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	6.675	99.87
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	-	-
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	-	-
Z Energy	ZEL060	4.000	3/09/2024	4	BBB-(NR)	Senior	5,000	6.348	97.80
Precinct Properties	PCT020	4.420	27/11/2024	2	BBB+(NR)	Senior	5,000	6.595	96.85
Property for Industry	PFI010	4.590	28/11/2024	4	BBB(NR)	Senior	5,000	6.600	97.97
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.570	96.31
Vector Limited	VCT090	3.450	27/05/2025	2	BBB	Senior	5,000	-	-
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	-	-
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	-	-
Summerset	SUM020	4.200	24/09/2025	4	BBB-(NR)	Senior	5,000	6.400	95.73
Property for Industry	PFI020	4.250	1/10/2025	4	BBB(NR)	Senior	5,000	6.305	95.92
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	6.200	95.08
Argosy Property	ARG010	4.000	27/03/2026	4	BBB+(NR)	Senior	5,000	6.550	93.63
Manawa Energy	MNW160	3.350	29/07/2026	4	BBB-(NR)	Senior	5,000	5.570	93.60
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	-	-
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	-	-
Metlifecare	MET010	3.000	30/09/2026	4	BBB-(NR)	Senior	5,000	6.455	89.66
Argosy Property	ARG020	2.900	29/10/2026	4	BBB+(NR)	Senior	5,000	6.510	88.96
Ryman Healthcare	RYM010	2.550	18/12/2026	4	BBB-(NR)	Senior	5,000	6.240	88.53
Investore Property	IPL030	4.000	25/02/2027	4	BBB(NR)	Senior	5,000	6.480	92.55
SBS Bank	SBS010	4.320	18/03/2027	2	BBB+	Senior	5,000	5.445	96.75
GMT Bond Issuer	GMB060	4.740	14/04/2027	2	BBB+	Senior	5,000	-	-
Channel Infrastructure	CHI020	5.800	20/05/2027	2	BBB-(NR)	Senior	5,000	5.810	102.70
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	6.290	89.10
Precinct Properties	PCT030	2.850	28/05/2027	2	BBB+(NR)	Senior	5,000	6.231	89.34
Investore Property	IPL020	2.400	31/08/2027	4	BBB(NR)	Senior	5,000	6.440	85.39
Manawa Energy	MNW190	5.360	8/09/2027	4	BBB-(NR)	Senior	5,000	5.498	100.39
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	5.350	85.72
Summerset	SUM030	2.300	21/09/2027	4	BBB-(NR)	Senior	5,000	6.265	85.27
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	7.250	81.47
Argosy Property	ARG030	2.200	27/10/2027	4	BBB+(NR)	Senior	5,000	6.490	83.57
Vector Limited	VCT100	3.690	26/11/2027	4	BBB	Senior	5,000	5.375	94.00
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.265	87.12
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	5.655	92.63
Arvida Group	ARV010	2.870	22/02/2028	4	BBB-(NR)	Senior	5,000	6.250	86.74
Genesis Power	GNE060	4.170	14/03/2028	2	BBB+	Senior	5,000	-	-
Napier Port Holdings	NPH010	5.520	23/03/2028	4	BBB+(NR)	Senior	5,000	5.295	101.68
Contact Energy	CEN070	5.820	11/04/2028	4	BBB	Senior	5,000	5.325	102.59
Air New Zealand	AIR030	6.610	28/04/2028	2	BBB	Senior	5,000	5.640	104.37
Precinct Properties	PCT040	5.250	9/05/2028	2	BBB+(NR)	Senior	5,000	6.325	95.47
Christchurch International Airport	CHC020	5.180	19/05/2028	2	BBB+	Senior	5,000	-	-
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	-	-
Wellington Intl Airport	WIA090	5.780	24/08/2028	2	BBB	Senior	10,000	-	-
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	5.946	83.82
Oceania Healthcare	OCA020	3.300	13/09/2028	4	BBB-(NR)	Senior	5,000	7.220	83.27
Meridian Energy	MEL060	5.910	20/09/2028	2	BBB+	Senior	5,000	-	-
Chorus	CNU020	4.350	6/12/2028	4	BBB	Senior	5,000	5.639	94.55
Manawa Energy	MNW170	3.970	22/02/2029	4	BBB-(NR)	Senior	5,000	6.500	88.74
Summerset	SUM040	6.590	9/03/2029	4	BBB-(NR)	Senior	5,000	-	-
Contact Energy	CEN080	5.620	6/04/2029	4	BBB	Senior	5,000	5.373	101.77
Kiwi Property Group Limited	KPG060	6.240	27/09/2029	2	BBB+	Senior	5,000	-	-
Wellington Intl Airport	WIA060	4.000	1/04/2030	2	BBB	Senior	10,000	6.450	86.96
GMT Bond Issuer	GMB0930	2.559	4/09/2030	2	BBB+	Senior	50,000	-	-
Chorus	CNU040	2.510	2/12/2030	4	BBB	Senior	5,000	5.521	81.98
Wellington Intl Airport	WIA080	3.320	24/09/2031	2	BBB	Senior	10,000	6.400	80.69