

Yovich & Co. Weekly Market Update

12th October 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Current Close 9th October	13749.35	8877.70	3813.79	10552.05	51654.95	27366.17	0.8077	0.5609	2.75
Previous Week 2nd October	13680.49	8854.70	3842.19	10461.95	51176.96	27190.86	0.8027	0.5619	2.75
Change	0.50%	0.26%	-0.74%	0.85%	0.93%	0.64%	0.62%	-0.18%	0.00%

The NZX 50 gained approximately 0.50% over the week. The market was relatively subdued through much of the week before gaining around 0.42% on Friday. The NZIER Quarterly Survey of Business Opinion showed a sharp improvement in business confidence, with a net 40% of firms expecting the general economic outlook to improve, up from 14% previously. However, actual activity remained softer, with a net 1% of businesses reporting declining domestic trading activity. This data points to improving expectations for the economy. Fisher & Paykel Healthcare hit new records as a big driver in the index lifting.

The All Ordinaries gained approximately 0.26% over the week. Performance was mixed beneath the headline index, with Australian REITs among the strongest sectors while technology shares declined. Economic data remained relatively soft, with August building approvals falling 6.1% month-on-month and consumer confidence declining a further 4.7% in October. The data highlighted the continuing impact of higher interest rates on households and housing activity following the Reserve Bank of Australia's recent tightening.

The Shanghai Composite declined approximately 0.74% over the week, although mainland Chinese markets traded for only two sessions following the Golden Week holiday. Volatility was mainly driven by selling pressure in the tech sector due to concerns around AI and borrowing costs.

The FTSE 100 gained approximately 0.85% over the week, finishing at 10,552.05. The market strengthened particularly on Friday as UK government bond yields eased and mining shares performed well. UK construction activity remained in contraction, although the Construction PMI improved from 44.3 to 46.1, its strongest level in eight months. While the reading remained below the 50-level separating expansion from contraction, it suggested the pace of deterioration was slowing.

The Dow gained approximately 0.93% over the week, while the Nasdaq advanced 0.64%. US shares held up despite rising borrowing costs, with the 10-year government bond yield briefly reaching 5.36%, its highest level since 2002. Business surveys showed the services sector continued to grow, although businesses faced increasing costs, keeping inflation concerns alive. Federal Reserve meeting minutes suggested another interest-rate increase remained possible before year-end, but weaker jobs growth reduced expectations of an October hike. Consumers were slightly less confident and expected prices to rise by 4.7% over the next year, highlighting continued concern about living costs. Attention now turns to company earnings, with major US banks reporting from Tuesday, 13 October. Their results and outlooks will help investors assess how businesses and households are coping with higher costs and interest rates.

The biggest movers of the week ending 9 October 2026

Up		Down	
Gentrack Group	12.57%	Oceania Healthcare	-8.45%
TOWER	7.14%	Summerset Group Holdings	-7.22%
KMD Brands	3.76%	Sanford	-6.09%
Fisher & Paykel Healthcare	3.72%	Ryman Healthcare Group	-5.26%
Contact Energy	3.55%	Infratil	-4.42%

Source: LSEG

Investment News

Ryman Healthcare (NZX: RYM): Resales Improve as Aged Care Demand Remains Strong

Ryman Healthcare reported 379 occupation-right agreement (ORA) sales for its second quarter, comprising 312 resales and 67 new sales. Resale volumes increased 14% on the same period last year, making this Ryman's strongest resale quarter in eight quarters, while net resale contracts signed increased 11%. Aged-care occupancy also improved to 94.0%, up 3.3 percentage points from a year earlier, reflecting strong demand across both New Zealand and Australia. Ryman continued to reduce unsold new stock, which fell by another 67 units during the quarter to 347. The improvement in resales and occupancy is encouraging because it supports recurring cash flow and reduces reliance on new development activity. However, housing-market conditions remain soft and can still affect how quickly prospective residents are able to sell their homes and settle into villages. Ryman also remains focused on reducing inventory and rebuilding financial flexibility following its earlier balance-sheet pressures. Share Price Reaction: The trading update was released at 8:30am on 12 October, before the NZX opened, so a meaningful post-announcement share-price reaction was not yet available at the time of writing. Ryman closed the previous trading session at \$1.71.

Current Share Price: \$1.71, **Consensus Target Price:** \$2.89.

Summerset Group (NZX: SUM): Resales Continue to Support Growth

Summerset reported 415 occupation-right sales in Q3, comprising 175 new sales and 240 resales. Year-to-date sales reached 1,228, up 10%, while resales were 27% higher than the same nine-month period last year. Resales were particularly strong during the quarter, rising 36% year-on-year, with Canterbury standing out as a strong region. New sales were weaker than a year earlier as economic uncertainty made some prospective residents more cautious about selling their existing homes, although management said contracting activity had improved since June. Encouragingly, the increase in Summerset's deferred management fee (DMF) to 30% has so far not materially reduced contracting activity, with new-sales contracts signed in Q3 up 20% from both Q1 and Q2. The strong resale performance and improving pipeline are positives, although settlement timing remains tied to conditions in the residential housing market. Share Price Reaction: Summerset's update was also released before the market opened on 12 October, so there was no post-announcement trading available at the time of writing. The shares closed the previous trading session at \$6.68.

Current Share Price: \$6.68, **Consensus Target Price:** \$12.62, **Forecast Dividend Yield:** 1.27%.

AFT Pharmaceuticals (NZX: AFT): Double-Digit Growth Keeps \$300m Revenue Target on Track

AFT Pharmaceuticals reported double-digit first-half revenue growth across all its divisions and reaffirmed its FY27 revenue target of \$300 million and operating profit guidance of \$28 million to \$32 million. Growth is being supported by the continued international expansion of products such as Maxigesic, including new licensing agreements in Japan and the Philippines, while AFT also received tentative approval from the US Food and Drug Administration for Scomara, its third patented product to receive US approval. The company has also launched Maxigesic Rapid in the US through Mark Cuban's Cost-Plus Drugs platform and continues to progress its research and development pipeline. The bull case is the growing international reach of AFT's products and a broader pipeline that could create additional revenue streams over time. The main risk is that continued growth requires successful product launches, regulatory approvals and execution across multiple overseas markets, while research and development spending can take time to generate a return. Share Price Reaction: AFT shares were around \$4.37 before the update and rose to \$4.64 by 9 October, an increase of approximately 6.2%, suggesting investors responded positively to the revenue growth and reaffirmed guidance.

Current Share Price: \$4.64, Consensus Target Price: \$4.85.

PepsiCo (NASDAQ: PEP): Revenue Growth Improves, but Cost Pressures Remain

PepsiCo reported third-quarter revenue of US\$25.27 billion, up 5.6%, while organic revenue increased 3.1%. Core earnings per share rose 2% to US\$2.34. Importantly, the result showed volume growth across both beverages and convenient foods, suggesting demand is improving after a period in which price increases had carried much of the growth. North American snack trends also improved sequentially, while the international business remained a major source of resilience. PepsiCo is continuing to invest in innovation and brand support while also pursuing additional cost reductions to offset rising input costs. The positive is that its broad portfolio and global reach continue to deliver growth despite a challenging consumer environment. However, margins remain under pressure from inflation and North American performance is still not as strong as management would like, meaning further investment may be required to restore stronger underlying growth. Share Price Reaction: PepsiCo shares rose 3.7% to US\$128.34 on the day of the result, before easing to US\$125.97 the following session. The initial rally suggests the market responded positively to the stronger revenue growth and improving volumes, although some of the gain was subsequently given back.

Current Share Price: \$125.97, Consensus Target Price: \$145.19, Forecast Dividend Yield: 4.73%.

Delta Air Lines (NYSE: DAL): Travel Demand Strong, but Fuel Costs Pressure Margins

Delta Air Lines delivered record September-quarter adjusted revenue (revenue excluding certain non-core or one-off items to better reflect the performance of the core business) of US\$17.6 billion, up 16%, despite capacity being broadly flat. Growth was driven by strong demand and higher ticket yields, with premium revenue up 18%, cargo revenue up 29%, and international revenue continuing to grow. Delta expects revenue to increase by approximately 20% in the December quarter, showing that travel demand remains robust. However, the major pressure is fuel: adjusted fuel expense increased 62% year-on-year to US\$4.1 billion, with the average fuel price per gallon rising 60%. Adjusted earnings per share were US\$1.72, broadly in line with the prior year, while Delta now expects FY26 EPS of US\$5.10–US\$5.60 and around US\$2.5 billion of free cash flow. The bull case is the continued strength in premium, international and loyalty revenue, while the key risk is that high fuel prices could continue to absorb much of the benefit from strong demand. Share Price Reaction: Delta shares closed at US\$82.17 on 9 October, broadly unchanged on the day of the result. The shares finished the week around 2.3% below the previous Friday's close, reflecting investor concern about fuel costs despite the strong revenue outlook.

Current Share Price: \$82.17, Consensus Target Price: \$16.43, Forecast Dividend Yield: 5.25%.

Shell (LSE: SHEL / NYSE: SHEL): Refining Margins Jump as Fuel Markets Tighten

Shell's third-quarter trading update pointed to a significant earnings benefit from unusually strong refining conditions. Its indicative refining margin increased to US\$42 per barrel, up from US\$24 in the previous quarter, as disruptions to global fuel supply pushed refining margins sharply higher. Integrated gas production is expected to rise to 740,000–780,000 barrels of oil equivalent per day, partly reflecting the recently completed ARC Resources acquisition. However, refinery utilisation is expected to fall to 93%–97%, partly because low water levels on Germany's Rhine affected operations at Shell's Rheinland refinery, while chemicals margins declined from US\$270 to US\$208 per tonne. The strong refining environment is clearly supportive for near-term earnings, but these margins are being driven partly by geopolitical and supply disruptions and may not prove sustainable over the longer term. Share Price Reaction: Shell's US-listed shares initially fell 0.8% on the day of the update, before jumping 3.5% to US\$100.20 on 8 October as investors focused on the sharp improvement in refining margins. The shares finished the week at US\$100.18, approximately 4.1% above the previous Friday's close.

Current Share Price: \$100.18, **Consensus Target Price:** \$100.58, **Forecast Dividend Yield:** 2.65%.

Upcoming Dividends: 13th October 2026 to 13th November 2026.

Description	Security	Ex Div Date	Books Close	Gross Dividend Amount	Pay Date
Australian Foundation Investment Company Ltd	AFI	15-Oct-26	16-Oct-26	11.43cps	12-Nov-26
The Bankers Investment Trust	BIT	22-Oct-26	23-Oct-26	1.66cps	27-Nov-26
South Port New Zealand Ltd	SPN	02-Nov-26	03-Nov-26	28.47cps	11-Nov-26

Source: LSEG

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