Jarrod Goodall (FSP 198885)
Nathanael McDonald (FSP 629229)
Daniel Butzbach (FSP1007407)

Yovich & Co. Weekly Market Update

2nd November 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Current Close 30th October	13797.00	9025.40	3599.02	10729.78	51770.31	25437.00	0.8097	0.5628	2.75
Previous Week 23rd October	13733.93	8905.80	3690.48	10690.36	52215.16	25955.34	0.7999	0.5699	2.75
Change	0.46%	1.33%	-2.54%	0.37%	-0.86%	-2.04%	1.21%	-1.26%	0.00%

The NZX 50 gained 0.46% to 13,797.00, supported by the Reserve Bank's unexpected decision on Wednesday to hold the OCR at 2.75%. Property shares benefited, with Precinct Properties rising 7.5% on Friday after shelving its Downtown Carpark development and announcing plans to return capital to shareholders. Serko gained approximately 22% over the week, while New Zealand's 10-year government bond yield ended Friday at around 4.81%. Economic conditions remained mixed. ANZ's consumer confidence survey showed that households were increasingly reluctant to make major purchases, despite remaining more optimistic about the future. The preceding week's inflation release continued to shape interest-rate expectations. Annual inflation was 3.7%, with prices rising 0.7% in the September quarter. This release fell outside the reporting week.

The All Ordinaries rose 1.34% to 9,025.40, as gains in resource, property and banking shares outweighed weakness in consumer stocks. Inflation was the week's key economic release. Annual CPI increased from 4.0% in August to 4.3% in September, while trimmed mean inflation reached 3.6%. The results strengthened expectations of another RBA interest-rate increase in November, adding further pressure to household budgets and borrowing costs.

The Shanghai Composite fell 2.48% to 3,599.02, as technology and semiconductor shares weakened amid concerns about valuations and the potential returns from substantial AI investment. Economic data was more positive with industrial profits rising 14.4% year on year in September, up from 4.2% in August, supported by electronics and high-tech manufacturing. However, the Communist Party's policy meeting ended without additional economic stimulus, weighing on market sentiment.

The FTSE 100 edged up 0.37% to 10,729.78. The Autumn Budget dominated domestic developments, prompting a relatively calm investor response and a decline in government bond yields. It included support for household energy costs, partly funded by a temporary increase in the bank corporation tax surcharge from 3% to 6% for 15 months. Overall, the Budget sought to ease cost-of-living pressures while maintaining control of public finances.

The Dow Jones fell 0.85% to 51,770.31, while the Nasdaq declined 2.00% to 25,437.00. Technology shares reversed earlier gains as company earnings renewed concerns about the cost and profitability of AI investment. The Federal Reserve held interest rates at 3.75%-4.00%. Meanwhile, third-quarter GDP growth accelerated to an annualised 3.4%, from 2.2% in the previous quarter. Annual PCE inflation remained elevated at 3.6%, while core inflation was 3.1%, underscoring the ongoing challenge of returning inflation to target.

Disclaimer: *"Yovich & Co Limited believes the information in this publication is correct, and it has reasonable grounds for any opinion or recommendation found within this publication on the date of this publication. However, no liability is accepted for any loss or damage incurred by any person as a result of any error in any information, opinion or recommendation in this publication. Nothing in this publication is, or should be taken as, an offer, invitation or recommendation to buy, sell or retain any investment in or make any deposit with any person. The information contained in this publication is general in nature. It may not be relevant to individual circumstances. Before making any investment, insurance or other financial decisions, you should consult a professional financial adviser. This publication is for the use of persons in New Zealand only. Copyright in this publication is owned by Yovich & Co Limited. You must not reproduce or distribute content from this publication or any part of it without prior permission*

Jarrod Goodall (FSP 198885)
Nathanael McDonald (FSP 629229)
Daniel Butzbach (FSP1007407)

Yovich & Co WEALTH MANAGEMENT

The biggest movers of the week ending 30th October 2026

Up	
Serko	21.78%
Sanford	12.30%
Fletcher Building	8.75%
Precinct Properties New Zealand	6.88%
Spark New Zealand	5.59%

Down	
Fonterra Shareholders Fund Units	-5.14%
Gentrack Group	-3.85%
Ryman Healthcare Group	-3.54%
Turners Automotive Group	-3.40%
Fisher & Paykel Healthcare	-2.48%

Source: LSEG

Investment News

South Port (NZX: SPN) - Record Cargo Volumes Drive Record Profit

South Port confirmed a record FY26 result, with revenue rising 14% to $71.8 million and net profit after tax increasing 21% to $16.1 million. Cargo volumes climbed 11.5% to a record 3.9 million tonnes, supported by agriculture, forestry, wind-farm projects and increased activity at the Tiwai aluminium smelter. Momentum has continued into FY27, with first-quarter cargo up 13%. South Port declared a 20.5-cent fully imputed final cash dividend, equivalent to approximately 28.47 cents gross, taking the full-year gross dividend to approximately 40.28 cents per share. The outlook remains supported by regional development, although higher infrastructure spending will be required as volumes grow. Share Price Reaction: South Port shares fell 1.2% to $8.20 on 28 October, before closing at $8.18 by the end of the week.

Current Share Price: $8.18**, Forecast Dividend Yield:** 4.92%**.**

Heartland Group (NZX/ASX: HGH) - Reverse Mortgages Support Improving Profitability

Heartland remains on track for FY27 net profit of at least $102 million and returns on equity of at least 7.5%. Net interest margin (NIM - the difference between what a bank earns on lending and pays for funding) was 3.92%, ahead of guidance, while asset quality continued to improve. Reverse mortgage lending remained the major growth driver in both New Zealand and Australia, although Rural, Motor and Business Finance lending declined during the quarter. The proposed merger of Heartland Bank and TSB remains a major strategic opportunity but also brings execution and integration risks. Share Price Reaction: Heartland shares were unchanged at $1.25 on 27 October following the update, before ending the week slightly higher at $1.26. **Current Share Price:** $1.26**, Consensus Target Price:** $1.37**, Forecast Dividend Yield:** 5.90%**.**

Woolworths Group (ASX: WOW) - Australian Food Leads Sales Growth

Woolworths reported first-quarter group sales of A$19.4 billion, up 4.7%, led by a 6.9% rise in Australian Food sales to A$14.8 billion. Growth was supported by increased customer transactions, value initiatives and strong online demand, with group e-commerce sales rising 16%. New Zealand Food remained softer, reflecting a weaker economy and competitive grocery market, while BIG W sales declined 0.9%. The strong Australian grocery business remains the key positive, although cost-of-living pressure and weaker discretionary spending remain risks. Share Price Reaction: Woolworths shares eased 0.5% to A$40.82 on 28 October following the sales update and weakened further the next day before recovering to A$40.22 on Friday.

Current Share Price: $40.22**, Consensus Target Price:** $40.15**, Forecast Dividend Yield:** 2.64%**.**

Shell (LSE/NYSE: SHEL) - Record Refining Margins Lift Earnings

Shell delivered strong Q3 adjusted earnings of US$10.8 billion and cash flow from operations of US$21.0 billion, helped by record refining margins and strong operating performance despite disruption across global energy markets. Shell also announced another US$5 billion share buyback and continued expanding its LNG business through the ARC Resources acquisition and LNG Canada Phase 2. Strong cash generation supports shareholder returns, although earnings remain highly sensitive to oil, gas and refining margins. Share Price Reaction: Shell's US-listed shares rose 2.4% to US$107.67 on 29 October following the result and gained another 1.0% the following day.

Current Share Price: $4,036.50**, Consensus Target Price:** $4,376.04**, Forecast Dividend Yield:** 0.04%**.**

Disclaimer: *"Yovich & Co Limited believes the information in this publication is correct, and it has reasonable grounds for any opinion or recommendation found within this publication on the date of this publication. However, no liability is accepted for any loss or damage incurred by any person as a result of any error in any information, opinion or recommendation in this publication. Nothing in this publication is, or should be taken as, an offer, invitation or recommendation to buy, sell or retain any investment in or make any deposit with any person. The information contained in this publication is general in nature. It may not be relevant to individual circumstances. Before making any investment, insurance or other financial decisions, you should consult a professional financial adviser. This publication is for the use of persons in New Zealand only. Copyright in this publication is owned by Yovich & Co Limited. You must not reproduce or distribute content from this publication or any part of it without prior permission*

Jarrod Goodall (FSP 198885)
Nathanael McDonald (FSP 629229)
Daniel Butzbach (FSP1007407)

Microsoft (NASDAQ: MSFT) - Cloud and AI Demand Remain Strong

Microsoft reported first-quarter FY27 revenue of US$92.3 billion, up 19%, while operating income increased 21% to US$45.9 billion. Microsoft Cloud revenue climbed 30% to US$63.9 billion, with Azure revenue growing 48%, highlighting continued strong demand for cloud computing and AI infrastructure. The company also reported adjusted earnings of US$4.89 per share. The key opportunity remains growing AI adoption across Azure and Microsoft 365, although the substantial investment required to expand data-centre capacity remains a key issue for investors. Share Price Reaction: Microsoft shares were little changed immediately following the result, closing 0.2% lower at US$530.14 on 29 October, before falling another 1.6% the following session.

Current Share Price: $521.91**, Consensus Target Price:** $629.22**, Forecast Dividend Yield:** 0.75%**.**

Alphabet (NASDAQ: GOOGL) - Google Cloud Surges as AI Investment Accelerates

Alphabet reported Q3 revenue of US$127.6 billion, up 25%, with Google Search revenue continuing to grow and Google Cloud revenue more than doubling to US$30.7 billion. Cloud growth was driven by strong demand for AI infrastructure, AI services and Google's specialised TPU chips, while the Gemini app has now reached one billion users. However, earnings were affected by an US$8.7 billion investment loss, while management indicated capital spending will increase significantly as it expands AI infrastructure. The long-term AI opportunity remains substantial, but investors are increasingly focused on the cost of delivering that growth. Share Price Reaction: Alphabet shares fell 12.6% to US$283.82 on 29 October, as investors focused on the earnings miss, investment losses and the prospect of substantially higher AI spending despite the very strong Cloud result.

Current Share Price: $279.84**, Consensus Target Price:** $401.13**, Forecast Dividend Yield:** 0.32%**.**

Amazon (NASDAQ: AMZN) - AWS Growth Accelerates to Five-Year High

Amazon reported Q3 sales of US$201.9 billion, up 12%, while operating income jumped to a record US$28.1 billion. Amazon Web Services (AWS) was the standout, with sales rising 39% to US$46.0 billion, its fastest growth in almost five years, while AWS operating profit increased to US$17.8 billion. Retail profitability also improved, but Amazon's heavy AI investment pushed trailing 12-month free cash flow into a US$42.4 billion outflow, highlighting the enormous cost of expanding computing capacity. The opportunity is accelerating cloud and AI demand, while the key risk is whether the returns justify the scale of capital spending. Share Price Reaction: Amazon shares closed 1.4% lower at US$240.35 on 30 October, the first full trading session following the result, despite the strong AWS performance and record operating margin.

Current Share Price: $279.84**, Consensus Target Price:** $322.03**.**

Upcoming Dividends: 3rd November 2026 to 3rd December 2026.

Description	Security	Ex Div Date	Books Close	Gross Dividend Amount	Pay Date
Precinct Properties	PCT	05-Nov-26	06-Nov-26	5.56cps	13-Nov-26
Scott Technology	SCT	05-Nov-26	06-Nov-26	6.94cps	24-Nov-26
Hallenstein Glassons Limited	HLG	01-Dec-26	02-Dec-26	64.25cps	09-Dec-26

Source: LSEG

For more information and to stay updated subscribe to our newsletter and consult with your Financial Adviser to tailor your investment strategy.

Disclaimer: *"Yovich & Co Limited believes the information in this publication is correct, and it has reasonable grounds for any opinion or recommendation found within this publication on the date of this publication. However, no liability is accepted for any loss or damage incurred by any person as a result of any error in any information, opinion or recommendation in this publication. Nothing in this publication is, or should be taken as, an offer, invitation or recommendation to buy, sell or retain any investment in or make any deposit with any person. The information contained in this publication is general in nature. It may not be relevant to individual circumstances. Before making any investment, insurance or other financial decisions, you should consult a professional financial adviser. This publication is for the use of persons in New Zealand only. Copyright in this publication is owned by Yovich & Co Limited. You must not reproduce or distribute content from this publication or any part of it without prior permission*