

Yovich & Co. Weekly Market Update

25th May 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Current Close 22 nd May	12991.31	8877.20	4112.90	10466.26	50579.70	26343.97	0.8203	0.5849	2.25
Previous Week 15 th May	12965.01	8870.60	4135.39	10195.37	49526.17	26225.15	0.8162	0.5838	2.25
Change	0.20%	0.07%	-0.55%	2.59%	2.08%	0.45%	0.50%	0.19%	0.00%

The NZX 50 was broadly steady over the week, rising 0.20% to close at 12,991.31. On the data front, Stats NZ reported retail sales volumes increased 0.9% in the March 2026 quarter compared with December, ahead of the 0.5% lift expected by market consensus, which is a constructive sign that demand is holding up despite ongoing cost pressures. Retail volumes maintained the recovery momentum seen in the prior quarter, while annual growth held at 4.5%, supported by continued strength in core retail. RBNZ's latest survey of expectations for Q2 shows businesses now expect inflation to stay higher in the next one to two years, even though they also expect the job market to soften. Longer term inflation expectations are still sitting around 2.2%, but the jump in short term expectations increases the risk inflation takes longer to get back to target. If the OCR stays at 2.25% for too long and higher inflation starts feeding into wages and services, the RBNZ may need to lift rates later to bring it back down.

Australia's All Ordinaries also edged higher, up 0.07% to 8,877.20. The week was marked more by sector rotation than a clear index trend, with resources providing support when commodity prices firmed, while technology performance was mixed as investors weighed earnings results against shifts in global bond yields.

China's Shanghai Composite fell 0.54% to 4,112.90. China left the Loan Prime Rates unchanged, with the 1-year rate at 3.00% and the 5-year rate at 3.50%, reinforcing a wait and see approach as policymakers balance growth support with the impact of global disruptions.

The FTSE 100 outperformed, rising 2.59% to 10,466.26 and snapping a four-week losing streak. Reuters attributed the move to easing concerns about a near term Bank of England rate hike after a run of UK data, including weaker retail sales and higher borrowing, shifted expectations and helped lift risk appetite into the week's close.

In the US, equities were strong, with the Dow gaining 2.13% and the Nasdaq adding 0.45% for the week. Markets responded to improving geopolitical optimism and continued support from earnings momentum. US activity data also surprised to the upside, with the S&P Global flash manufacturing PMI lifting to 55.3, the highest in four years, alongside commentary that inventory building and supply pressures are pushing input costs higher again.

The biggest movers of the week ending 22 May 2026

Up	
Serko	13.10%
Vista Group International	10.14%
Summerset Group Holdings	7.09%
Air New Zealand	6.25%
Channel Infrastructure NZ	5.05%

Down	
Tower	-14.06%
Briscoe Group	-10.20%
SkyCity Entertainment Group	-9.48%
a2 Milk Co	-7.87%
Sanford	-4.88%

Source: LSEG

Investment News

Oceania Healthcare (OCA.nz / OCA.asx) – Reported results FY26 full year

Oceania delivered a clear “turnaround-style” FY26, with operating momentum and balance sheet repair showing up in the numbers. Sales volumes rose 16% to 603 units, while Proforma Underlying EBITDA lifted 20% to \$97.7m as the company delivered \$13.2m of cost-out savings and improved sales execution. Statutory NPAT was essentially breakeven at \$0.1m (down from \$30.4m) due to much lower property revaluations, but underlying performance strengthened, with Total Comprehensive Income flat at \$75.0m and Net Tangible Assets rising to \$1.62/share (+7.3%). Free cash flow from operations remained negative (a \$15.0m outflow) but improved 64%, and net debt fell \$121.4m to \$506.7m, taking gearing to 30.1% (low end of the 30–35% target range). Share Price Reaction: OCA rallied +9.23% on the day. Bull case: Cost-out and sales momentum persist, free cash flow turns positive in FY27 and debt keeps trending down. Bear case: A softer property market slows sales velocity and delays the cash flow inflection, keeping leverage in focus.

Current Share Price: \$0.71, Consensus Target Price: \$0.96.

Target (TGT) – Reported results Q1 2026

Target surprised on the upside with one of its stronger quarters in years: net sales grew 6.7% to \$25.44bn and EPS came in at \$1.71, well ahead of expectations, helped by broad-based category strength and improving traffic (+4.4%). Management also lifted its full-year sales outlook (reported as “around 4%” growth versus 2% previously), reflecting improved confidence in demand and execution. Share Price Reaction: despite the beat, the stock fell 3.86% on 20 May (the earnings day), after early gains reversed as executives struck a more cautious tone. Bull case: Traffic-led momentum continues and improved margins/discipline drive stronger FY26 EPS delivery. Bear case: Consumer sensitivity (fuel/essentials inflation) or promo intensity re-emerges, squeezing margins and dampening guidance follow-through.

Current Share Price: \$125.60, Consensus Target Price: \$131.66. Forecasted Dividend Yield: 3.68%.

Walmart (WMT) – Reported results Q1 FY27

Walmart’s Q1 showed strong top-line traction but a cautious near-term setup. Revenue rose 7.3% to \$177.8bn and adjusted EPS was \$0.66, with U.S. comparable sales up 4.1% and fast-growing profit pools (e-commerce +26%, advertising +37%) continuing to scale. The market’s issue was guidance: Walmart forecast Q2 EPS of \$0.72–\$0.74 and sales growth of 4–5%, which came in a touch light versus expectations in coverage, with higher fuel/transport costs and consumer stress signals flagged. Share Price Reaction: shares fell about 7.3% on the day on the softer Q2 outlook. Bull case: Value-led market share gains continue and e-commerce/ads lift margins enough to offset cost pressure. Bear case: Consumer stress deepens (and fuel/food inflation bites), forcing more price investment and keeping guidance conservative.

Current Share Price: \$120.27, Consensus Target Price: \$138.77. Forecasted Dividend Yield: 0.80%.

Home Depot (HD) – Reported results Q1 fiscal 2026

Home Depot’s Q1 (ended 3 May 2026) showed resilience in a choppy housing backdrop: sales rose 4.8% to \$41.8bn, while comparable sales were modestly positive (+0.6% overall; +0.4% in the U.S.), indicating demand is holding up even as big-ticket projects remain more cautious. Management reaffirmed FY26 guidance, signalling confidence that demand trends remain broadly consistent with FY25. Share Price Reaction: HD shares rose circa 0.8% after the report in market coverage. Bull case: Pro customer strength and easing rate pressure lift project demand into FY26, supporting comps and margins. Bear case: “Big project” deferrals persist and the housing cycle stays soft, limiting sales leverage even if guidance holds.

Current Share Price: \$313.07, Consensus Target Price: \$366.71. Forecasted Dividend Yield: 2.90%

Infratil (IFT.nz) sells down 5% of Contact Energy in \$495m block trade

Infratil (IFT.nz) has now completed its sell-down of Contact Energy (CEN.nz), placing 53,531,358 shares (5.0% of Contact) via a fully underwritten block trade at \$9.25 per share, raising gross proceeds of about \$495m and reducing its holding to around 9.08%. Infratil stressed the sale was a capital-recycling move to fund future growth opportunities, not a negative call on Contact, and it has committed to retain its remaining stake until at least Contact’s FY26 full-year results announcement (expected on or around 18 August 2026), at which point it will review its position (subject to customary exceptions).

Current Share Price: \$15.90, Consensus Target Price: \$15.48. Forecasted Dividend Yield: 1.30%.

NVIDIA (NVDA) – Reported results Q1 fiscal 2027

NVIDIA's Q1 was another "AI infrastructure" blowout: revenue hit a record \$81.6bn (+85% YoY) with Data Center revenue \$75.2bn (+92%), underlining that hyperscaler and enterprise AI spend is still accelerating. Management guided Q2 sales at about \$91bn (per coverage) and paired the growth with a major shareholder-return signal: an additional \$80bn buyback authorisation (taking total authorisation to \$118.5bn) and a dividend hike from \$0.01 to \$0.25 per share. Share Price Reaction: The stock dipped circa 1.8% the day after results despite numerous price-target upgrades, as investors focused on what comes next after a huge pre-earnings run. Bull case: Q2 guidance proves conservative and Blackwell/Vera Rubin ramps keep demand tight, extending the earnings upgrade cycle. Bear case: Any sign of supply, power or deployment bottlenecks (or growth "normalising" off an enormous base) triggers a sharp valuation reset.

Current Share Price: \$215.33, Consensus Target Price: \$288.81. Forecasted Dividend Yield: 0.36%.

Upcoming Dividends: 26th May to 26th June 2026.

Description	Security	Ex Div Date	Books Close	Gross Dividend Amount	Pay Date
Radius Residential Care Limited	RAD	27-May-26	28-May-26	1.67cps	11-Jun-26
Investore Property Limited	IPL	28-May-26	29-May-26	2cps	10-Jun-26
NZ Land	NZL	28-May-26	29-May-26	1.34cps	26-Jun-26
APL	APL	02-Jun-26	03-Jun-26	0.2cps	11-Jun-26
My Food Bag	MFL	03-Jun-26	04-Jun-26	1.6cps	18-Jun-26
Argosy Property	ARG	09-Jun-26	10-Jun-26	1.93cps	24-Jun-26
Kiwi Property Group	KPG	10-Jun-26	11-Jun-26	1.68cps	19-Jun-26
Napier Port	NPH	10-Jun-26	11-Jun-26	7.29cps	24-Jun-26
Tower Limited	TWR	10-Jun-26	11-Jun-26	6.94cps	25-Jun-26
Genesis Limited	GEN	11-Jun-26	12-Jun-26	1.18cps	2-Jul-26
AFT Pharmaceuticals	AFT	18-Jun-26	19-Jun-26	3.47cps	3-Jul-26

Source: LSEG

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