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Yovich & Co. Weekly Market Update

27th July 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Current Close 24th July	13772.29	8941.50	3814.20	10736.23	51947.25	24975.82	0.8287	0.5787	2.50
Previous Week 17th July	13694.68	8978.80	3764.15	10600.37	52146.42	25520.24	0.8361	0.5840	2.50
Change	0.56%	-0.42%	1.31%	1.27%	-0.38%	-2.18%	-0.89%	-0.92%	0.00%

The NZX 50 rose 0.56% over the week to close at 13,772.29. There was some volatility in the index for the week as President Trump announced tariffs of 10% and 12.5% on New Zealand. The key local economic release was inflation, with Stats NZ reporting that CPI increased 1.5% in the June quarter and 4.1% annually. However, ASB highlighted that underlying inflation pressures remain stubborn, with the RBNZ's sectoral factor model steady at 2.7%, while the broader factor model increased from 2.6% to 3.1%, its highest level in more than two years. This suggests the RBNZ may look through some of the fuel-driven spike but will remain alert to the risk that higher headline inflation feeds into inflation expectations and broader pricing behaviour.

Australia's All Ordinaries fell 0.42% to 8,941.50. The market came under pressure late in the week, with weakness across technology, materials and consumer discretionary stocks. Australia was also impacted by a 12.5% tariff on exports to the US. Australian labour market data was stronger than expected, with employment rising by 76,000 in June and the unemployment rate holding at 4.4%. This reinforced expectations that the RBA may need to keep policy tighter for longer.

China's Shanghai Composite rose 1.31% over the week to 3,814.20, recovering some of the previous week's sharp decline. The index had a strong start to the week but fell 1.61% on Friday, reflecting weaker regional sentiment as investors remained cautious around global tariffs, higher bond yields, oil volatility and geopolitical risks.

The UK's FTSE 100 gained 1.27% to close at 10,736.23, supported by strength in financials and defensive sectors. HSBC helped lift the market on Friday. Economic data was also supportive, with UK retail sales rising 1.0% in June, helped by warm weather and World Cup-related spending, while survey data showed UK business activity returning to growth. The main watchpoints remain energy prices, inflation pressure and how policy develops under the new political leadership.

In the United States, the Dow Jones fell 0.38% while the Nasdaq Composite declined 2.18%. The Nasdaq underperformed as investors reassessed AI-related spending expectations, with semiconductor stocks and some large technology names under pressure ahead of major earnings results. The broader US economy remained resilient, with the S&P Global services PMI rising to 53.6 and weekly jobless claims falling to 187,000, their lowest level since 1969. However, markets remain focused on whether tariffs, oil prices and strong activity could keep inflation pressure elevated and delay Federal Reserve easing.

The biggest movers of the week ending 24 July 2026

Up	
SkyCity Entertainment Group	13.16%
Vulcan Steel	5.69%
Air New Zealand	4.82%
Channel Infrastructure NZ	4.29%
Precinct Properties New Zealand	3.79%

Down	
Port Of Tauranga	-3.43%
EBOS Group	-2.96%
Serko	-2.94%
Scales	-2.54%
Gentrack Group	-2.41%

Source: LSEG

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Investment News

Chorus (CNU.NZ / CNU.ASX) – Q4 FY26 connections update

Chorus' Q4 FY26 connections update showed the continued shift from copper to fibre. Total fixed-line connections ended June at 1.191m, down 4,000 over the quarter, mainly due to the ongoing decline in copper connections as customers move to modern broadband. Total fibre connections increased by around 5,000 to 1.147m, with fibre uptake reaching 75.9% and average monthly fibre data usage reaching 731GB. The quarter also highlighted how essential fibre has become for streaming and digital services, with FIFA World Cup streaming adding significant extra traffic across the network. Bulls see Chorus as a defensive infrastructure business with rising fibre penetration, strong data-demand trends and lower long-term copper costs; bears note that overall connection growth remains modest, and regulatory pricing settings remain an important long-term risk. Share Price Reaction: The share price reaction was steady, suggesting the market viewed the update as solid and broadly in line with expectations rather than a major surprise.
Current Share Price: $9.62 **Consensus Target Price:** $9.34, **Forecast Dividend Yield:** 6.23%

Alphabet (GOOGL.NAS) – Q2 2026 result

Alphabet delivered a strong Q2 2026 result, with revenue up 24% to US$119.8b, ahead of market expectations, supported by continued strength in Search, YouTube and a sharp lift in Google Cloud revenue. Google Cloud revenue reportedly rose 82% to US$24.8b, highlighting strong demand for AI (artificial intelligence) infrastructure and enterprise cloud services. However, the key issue for investors was spending: Alphabet's quarterly capital expenditure (capex – long-term spending on data centres, chips and infrastructure) reached about US$45b, and management lifted full-year capex guidance to US$195–205b. Bulls see Alphabet as one of the best-placed global AI platforms, with massive scale, leading cloud infrastructure and strong advertising cash flows; bears worry that AI spending is rising faster than investors can clearly see the returns, and that free cash flow may remain under pressure. Share Price Reaction: Alphabet shares fell after the result, despite the revenue beat, as investors focused on the higher AI spending outlook and the pressure this could place on future cash flow.
Current Share Price: $319.74, **Consensus Target Price:** $420.48, **Forecast Dividend Yield:** 0.27%.

Tesla (TSLA.NAS) – Q2 2026 result

Tesla's Q2 2026 result was mixed. Revenue rose strongly to US$28.24b, ahead of market expectations, helped by strong vehicle deliveries and growth in energy and services. However, profit disappointed, with adjusted earnings per share (EPS – profit per share) of US$0.33, well below expectations, as margins came under pressure and spending increased on AI, autonomy and robotics projects. Free cash flow was also negative, meaning Tesla spent more cash than it generated during the quarter after investment spending. Bulls remain focused on Tesla's longer-term opportunities in autonomous driving, robotaxis, energy storage and the Optimus robot; bears argue that the current car business is showing margin pressure, while the future growth areas still require heavy investment and may take time to prove their earnings potential. Share Price Reaction: Tesla shares fell after the announcement as the market focused on the earnings miss, weaker margins and rising investment spend, rather than the stronger revenue result.
Current Share Price: $313.03, **Consensus Target Price:** $383.74.

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American Express (AXP.NYS) – Q2 2026 result

American Express reported a solid Q2 2026 result, with profit up 8% to US$3.11b and earnings per share of US$4.53, ahead of market expectations. Card member spending rose 9%, the fastest pace in several years, helped by continued strength from higher-income customers and premium products such as Gold and Platinum cards. The company also added around 3 million new cardholders, with most choosing fee-paying cards, showing that demand for premium benefits remains strong. American Express raised its full-year revenue growth outlook to 10% but kept its profit guidance unchanged as it plans to reinvest in marketing, technology and growth initiatives. Bulls see a high-quality payments business with affluent customers, strong brand loyalty and resilient spending; bears note that expenses are rising, competition in premium cards is intense, and the valuation depends on continued consumer strength. Share Price Reaction: Despite the earnings beat, American Express shares fell after the result as investors focused on the slight revenue miss and the decision to reinvest stronger revenue into growth rather than lift profit guidance.

Current Share Price: $326.17 **Consensus Target Price:** $371.39, **Forecast Dividend Yield:** 1.17%.

Mercury NZ (MCY.NZ / MCY.ASX) – Datagrid NZ investment

Mercury has acquired a 12.7% minority stake in Datagrid NZ for US$30m / NZ$53m, giving it exposure to a proposed large-scale data centre project at North Makarewa, Southland. Datagrid is developing a 360MW data centre that already has resource consent, with a final investment decision expected later this year. Mercury had already signed a 140MW power purchase option agreement with Datagrid in March 2026, providing a pathway for the project to be supplied with renewable electricity. In simple terms, the investment links Mercury more closely to a potential long-term electricity customer at a time when data centres and AI (artificial intelligence) are expected to increase electricity demand. The investment is funded from Mercury's existing capital facilities, with CEO Stew Hamilton also joining the Datagrid NZ board. Bulls see this as a sensible, strategic investment that could support long-term renewable electricity demand and help justify future generation investment; bears may note that the data centre has not yet reached final investment decision, so the timing and scale of future earnings benefits remain uncertain. Share Price Reaction: The share price reaction has been steady, suggesting investors see the Datagrid investment as strategically positive, but not large enough to materially change Mercury's near-term earnings outlook.

Current Share Price: $6.85, **Consensus Target Price:** $7.23, **Forecast Dividend Yield:** 3.67%.

Upcoming Dividends: 28th July to 28th August 2026.

Description	Security	Ex Div Date	Books Close	Gross Dividend Amount	Pay Date
Henderson Far East Income	HFL	28-Aug-26	31-July-26	14.75cps	28-Aug-26
LIC	LIC	30-Jul-2026	31-Jul-26	17.03cps	20-Jul-26

Source: LSEG

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