

Yovich & Co. Weekly Market Update

28th September 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Current Close 25th September	13811.11	8845.60	3888.37	10695.25	51828.62	27068.72	0.8051	0.5658	2.75
Previous Week 18th September	13739.14	8922.70	3911.87	10659.13	51682.64	26522.55	0.8029	0.5721	2.75
Change	0.52%	-0.87%	-0.60%	0.34%	0.28%	2.02%	0.27%	-1.11%	0.00%

The NZX 50 gained approximately 0.52% for the week, while across the Tasman the Australian All Ordinaries fell approximately 0.87%. Australian employment increased by 39,500 in August, well ahead of expectations of around 15,000–20,000. However, the unemployment rate increased from 4.4% to 4.6%, partly because more people entered the workforce and began looking for work. Business activity softened during September, with manufacturing slipping slightly into contraction while the services sector continued to grow. Reserve Bank of Australia Governor Michele Bullock also warned that inflation may remain stronger than expected, pointing to higher energy prices and continued strength in domestic demand. By the end of the week, markets were largely expecting the RBA to raise interest rates by 0.25% at its upcoming meeting this Tuesday.

The Shanghai Composite fell approximately 0.60%. Mainland Chinese markets were closed on Friday, so this reflects Thursday's closing level. During the week, the US and China continued discussions around their existing trade truce, although no formal extension was agreed. Broader disagreements between the two countries also remain unresolved, particularly around trade, technology, Taiwan and other strategic issues.

The FTSE 100 gained approximately 0.34%, finishing at 10,695.25. Business activity in the UK continued to grow during September, although at a slower pace than the previous month. The services sector remained in expansion, while businesses also reported renewed pressure from higher energy costs. Manufacturing data was somewhat more encouraging, with factory orders improving to their strongest level since July 2023. Expectations for future production also strengthened, providing some signs that conditions within the manufacturing sector may be beginning to improve.

The Dow rose 0.28%, while the Nasdaq gained a much stronger 2.02%. Investor demand for shares remained healthy, with global equity funds receiving approximately US\$44.1 billion of new money during the week, the strongest inflow since early July, with technology funds particularly well supported. US economic data also remained resilient. Weekly unemployment claims were only 197,000, remaining close to historically low levels, while continuing claims stayed around 1.72 million. New-home sales were also stronger than expected at an annualised rate of approximately 684,000, compared with around 643,000 previously.

The biggest movers of the week ending 25 September 2026

Up	
Serko	10.83%
Vulcan Steel	10.24%
Sanford	8.87%
Argosy Property	5.10%
Sky Network Television	4.17%

Source: LSEG

Down	
Gentrack Group	-8.35%
Precinct Properties New Zealand & Precinct Properties Investments	-8.00%
Vista Group International	-5.15%
Vital Healthcare Property Trust	-4.17%
Genesis Energy	-3.83%

Investment News

Fonterra Co-operative Group (FCG.NZ / FSF.NZ) - FY26 result

Fonterra delivered a strong FY26 result, with revenue of \$27.0b, underlying operating profit up 23.6% to \$1.8b and underlying earnings rising to 71 cents per share, up from 54 cents. The improvement was driven by stronger margins and better operating performance across the continuing business, while the reported group result also benefited from a \$1.2b gain relating to the Mainland divestment. Return on capital improved to 14.2% from 11.7%, showing the business generated more profit from the capital invested. Fonterra declared a final fully imputed dividend of 33 cents per share, taking total FY26 dividends to 73 cents per share (\$1.014 gross dividend), including the 16 cent special Mainland dividend paid earlier in the year. The final 2025/26 Farmgate Milk Price was \$9.69 per kgMS, while FY27 underlying earnings guidance is 65-85 cents per share. Bulls will focus on stronger underlying earnings, improved returns, higher dividends and the benefits of a simpler business after the Mainland sale; bears may note that FY27 earnings remain exposed to global dairy prices, foreign exchange movements and changes in the Farmgate Milk Price. Share Price Reaction: FCG and FSF both traded higher following the result, with FCG up about 2% and FSF up around 1.5% on 25 September, suggesting investors responded positively to the stronger earnings and dividend outcome.

Current Share Price: \$8.40, **Consensus Target Price:** \$7.93, **Forecast Dividend Yield:** 6.29%.

KMD Brands (KMD.NZ / KMD.ASX) - FY26 result and turnaround progress

KMD Brands reported FY26 group sales up 6.5% to \$1.053b and underlying EBITDA up 137.7% to \$42.0m, with gross margin improving by 1.2 percentage points to 57.7%. The improvement was driven by sales growth across Kathmandu, Rip Curl and Oboz, better product margins and tighter cost control, which helped underlying earnings recover from the prior year. However, the company reported a statutory net loss after tax of \$414.4m after recording a large non-cash impairment of \$394m after tax, mainly reflecting lower accounting values assigned to parts of the business rather than a matching cash outflow. Underlying NPAT was still a \$9.0m loss, while net debt fell modestly to \$48.1m and no final dividend was declared. Early FY27 trading has been encouraging, with Kathmandu same-store sales up 7.4% in the first seven weeks, helped by stronger New Zealand and online sales. Bulls will focus on the sharp improvement in underlying earnings, better margins and early FY27 sales momentum; bears may note that the business remains loss-making on an underlying basis, no dividend was declared and management is still working through its strategic review. Share Price Reaction: KMD shares slipped after the result despite the stronger underlying performance, as investors weighed the turnaround progress against the large impairment, ongoing losses and uncertainty around the strategic review.

Current Share Price: \$1.92, **Consensus Target Price:** \$2.25.

Costco Wholesale (COST.NAS) - Q4 FY26 result

Costco reported another strong quarter, with Q4 net sales up 11.2% to US\$93.9b and net income rising to US\$3.0b, or US\$6.75 per share, from US\$5.87 a year earlier. Comparable sales, excluding fuel-price and currency movements, increased 6.7% across the group, with US comparable sales up 7.2%, Canada up 4.6% and other international markets up 6.2%. Digitally enabled sales increased 19.8%, showing continued strong growth in online ordering and digitally supported shopping. The earnings result was helped slightly by tariff refunds, which added around US\$0.15 per share after some of the benefit was reinvested in lower prices and member value. Bulls will focus on Costco's resilient membership model, strong comparable sales, international growth and rapid digital expansion; bears may note that expectations remain high and part of the quarterly profit benefit came from a one-off tariff refund. Share Price Reaction: The result was solid, but with Costco already trading at a premium valuation, the market reaction is likely to depend more on whether comparable sales and membership growth can remain this strong rather than the headline earnings beat alone.

Current Share Price: \$922.77, **Consensus Target Price:** \$1,060.21, **Forecast Dividend Yield:** 0.62%.

Argosy Property (ARG.NZ) - September investor update

Argosy's September investor update highlighted continued progress in leasing and its shift toward higher-quality industrial property. Portfolio occupancy has increased to 97.3%, helped by a new 16-year lease with ECLY Ltd covering 12,077 square metres at 224 Neilson Street, generating annual rent of \$3.8m from March 2027. The long lease is important because it improves income certainty and reduces vacancy risk, while the building has also achieved a 6 Green Star rating and includes solar capacity to support site operations and truck charging. Argosy has also secured additional office leases in Auckland and Wellington, with further leasing discussions underway. The stronger leasing activity follows a period where industrial assets have generally shown better occupancy and rental resilience than office property, and Argosy is gradually increasing its industrial weighting toward its 60%-70% target. Bulls will focus on higher occupancy, long lease terms, improved rental certainty and the continued move toward industrial assets; bears may note that commercial property values and funding costs remain sensitive to interest rates and that office leasing conditions are still more challenging than industrial. Share Price Reaction: The update should be modestly supportive for sentiment, as the new long-term industrial lease improves income visibility and lifts portfolio occupancy.

Current Share Price: \$1.03, **Consensus Target Price:** \$1.19, **Forecast Dividend Yield:** 6.50%.

Upcoming Dividends: 29th September to 29th October 2026.

Description	Security	Ex Div Date	Books Close	Gross Dividend Amount	Pay Date
Fonterra Co-operative Group Ltd	FCG	30-Sep-26	01-Oct-26	45.83cps	15-Oct-26
Fonterra Shareholders' Fund	FSF	30-Sep-26	01-Oct-26	33cps	15-Oct-26
F&C Investment Trust	FCT	01-Oct-26	02-Oct-26	2.31cps	2-Nov-26
Skellerup Ltd	SKL	01-Oct-26	02-Oct-26	23.11cps	16-Oct-26
Vulcan Steel Ltd	VSL	01-Oct-26	02-Oct-26	6.25cps	15-Oct-26
Foley Wines Ltd	FWL	08-Oct-26	09-Oct-26	2.78cps	23-Oct-26

Source: LSEG

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