

Yovich & Co. Weekly Market Update

4th May 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Current Close 1st May	13039.20	8954.70	4112.16	10363.93	49499.27	25114.44	0.8183	0.5898	2.25
Previous Week 24 th April	12874.94	9006.40	4079.90	10379.08	49230.71	24836.60	0.8218	0.5878	2.25
Change	1.26%	-0.58%	0.78%	-0.15%	0.54%	1.11%	-0.43%	0.34%	0.00%

The NZX 50 rose 1.26% over the week to close at 13,039.20, continuing to edge higher as global risk sentiment stabilised into the weekend and oil prices eased from recent peaks.

Australia's All Ordinaries slipped 0.58% over the week to close at 8,954.70. Despite the weekly decline, Australian shares finished the week on a stronger note after eight consecutive daily losses. Miners were supported by firmer commodity prices, while ANZ reported a \$3.65 billion half-year profit and Coles warned that higher grocery prices may be ahead.

China's Shanghai Composite rose 0.78% to 4,112.16. Market sentiment remained centred on the balance between policy support and the durability of economic growth. Broader Asian markets ended Friday on a positive note, tracking Wall Street's strong lead, although gains were tempered by concerns around potential currency market intervention in Japan.

The FTSE 100 fell 0.15% over the week to close at 10,363.93. During the week, upbeat results from Rolls-Royce and Glencore helped support sentiment, while rate-sensitive mid-cap stocks rallied after the Bank of England held interest rates steady. However, inflationary pressures remain a key concern. The Bank of England noted that the conflict in the Middle East is disrupting the transportation and supply of energy, placing upward pressure on prices and increasing household motor fuel costs. Utility bills are also expected to rise, with inflation now at 3.3%, above the Bank's February forecast. Further pressure may emerge later in the year as higher energy costs flow through to businesses, potentially leading to price increases and renewed wage demands as households seek to offset rising living costs.

US equities finished the week higher, with the Dow Jones rising 0.54% to 49,499.27 and the Nasdaq Composite gaining 1.11% to 25,114.44. Markets were supported by a strong corporate earnings season and a pullback in crude oil prices, which helped ease inflation concerns and pushed bond yields lower. Technology leadership remained evident into Friday, with the Nasdaq reaching another record close, while the S&P 500 also advanced to a record closing high.

The biggest movers of the week ending 1 May 2026

Up	
Genesis Energy	5.58%
KMD Brands	4.92%
Vulcan Steel	4.30%
Fletcher Building	3.94%
Investore Property	3.88%

Down	
Gentrack Group	-6.30%
Serko	-5.88%
Air New Zealand	-5.56%
SkyCity Entertainment Group	-4.58%
Fonterra Shareholders Fund Units	-3.69%

Source: LSEG

Investment News

ResMed (RMD.asx) — FY26 Q3: strong sales and margins, but shares dipped on the day

ResMed reported a solid quarter (to 31 March 2026) with revenue up 11% to US\$1.4bn (approximately 8% in constant currency), driven by continued demand for sleep devices, masks and accessories. Profitability improved meaningfully: GAAP gross margin rose 290bps to 62.2%, and ResMed posted GAAP EPS of US\$2.74. Cash generation was strong with US\$554m operating cash flow, and the company returned US\$262m to shareholders via buybacks/dividends. Share Price Reaction: despite the strong numbers, ASX trading was slightly negative on the day consistent with “good but expected” results and some profit-taking. Bull case: Demand stays strong and ResMed keeps expanding margins as supply chains normalise and product mix improves. Bear case: Competition or pricing pressure increases, or demand softens, causing margins to stall after a strong run.

Current Share Price: \$28.73, **Consensus Target Price:** \$44.05. **Forecasted Dividend Yield:** 0.85%.

Microsoft’s (MSFT.NAS) FY26 Q3 showed why it remains the market’s cleanest “AI monetisation” story:

Revenue hit US\$82.9bn (+18%) with Microsoft Cloud continuing to power the engine. Management commentary highlighted that Microsoft now sees its AI business running at over US\$37bn annual revenue run-rate (+123% YoY) a rare datapoint that frames AI as a measurable business line, not a feature. The forward-looking wrinkle is cost and capacity: reporting around the call pointed to a very large 2026 investment envelope as Microsoft races to add data-centre and GPU capacity, with management also flagging ongoing supply/constraint dynamics. Key watch next quarter: Azure growth and whether AI capacity constraints ease (or worsen), plus how quickly rising capex shows up in margin and free cash flow. Bull case: AI demand continues to outstrip supply, and Microsoft keeps pricing power (Copilot + Azure), preserving margins. Bear case: capex keeps rising faster than monetisation, and any cloud slowdown triggers a valuation de-rating.

Current Share Price: \$414.44, **Consensus Target Price:** \$595.55.

Amazon (AMZN.NAS) AWS is accelerating again, and management is explicitly guiding to stronger operating profit:

Amazon’s Q1 2026 put real numbers behind the “AI infrastructure cycle”: net sales rose 17% to US\$181.5bn and AWS grew 28% to US\$37.6bn, while operating income rose to US\$23.9bn (AWS operating income US\$14.2bn). The forward-looking section is unusually clear: for Q2 2026, Amazon guided net sales of US\$194–199bn and operating income of US\$20–24bn, noting Prime Day timing assumptions. The strategic message from management is that Amazon is leaning hard into AI even at the expense of near-term free cash flow: trailing-twelve-month free cash flow fell to US\$1.2bn, driven largely by a US\$59.3bn YoY increase in property and equipment purchases — which it said “primarily reflects investments in artificial intelligence.” Key watch next quarter: whether AWS keeps re-accelerating and whether operating income guidance holds up while capex stays elevated. Bull case: AWS demand stays hot, ads keep scaling, and operating leverage returns even with high capex. Bear case: growth normalises but capex remains heavy, keeping free cash flow weak and sentiment fragile.

Current Share Price: \$268.26, **Consensus Target Price:** \$303.62.

Alphabet (GOOGL.NAS) Cloud acceleration + backlog surge are the “forward demand” proof points

Alphabet’s Q1 2026 was a rare combination of growth + operating leverage: revenue rose 22% to US\$109.9bn, operating margin expanded to 36.1%, and EPS climbed to US\$5.11. Management leaned heavily into forward indicators: Google Cloud revenue surged 63% to US\$20.0bn, and commentary highlighted Cloud backlog over US\$460bn, framing AI infrastructure demand as the central growth driver. The forward-looking tension is the cost of meeting that demand — reporting highlighted a raised 2026 capex plan around US\$180–190bn to fund AI/data-centre buildout. Key watch next quarter: Cloud growth vs capex intensity — does backlog convert into revenue fast enough to protect free cash flow as spend rises? Bull case: Cloud keeps scaling and AI strengthens Search/Ads, allowing Alphabet to “grow into” higher capex. Bear case: ad growth slows or AI rivals could mean Google shows fewer ads per search (or gets fewer clicks), while the cost of delivering results goes up which would make Search less profitable over time.

Current Share Price: \$385.69, **Consensus Target Price:** \$390.78.

Meta (META.NAS) guidance is strong, but the spend profile is now the story

Meta’s Q1 2026 results were strong: revenue US\$56.31bn (+33%), operating cash flow US\$32.23bn, and advertising remained the engine. The forward-looking detail is explicit: Q2 revenue guidance is US\$58 to 61bn, and Meta lifted 2026 capex to between US\$125bn and \$145bn (from US\$115–135bn), citing higher component pricing and data-centre costs; Q1 capex was US\$19.84bn. Key watch next quarter: whether ad growth stays strong enough to absorb the higher capex (watch capex pace each quarter against cash flow). Bull case: AI-driven ad tools lift performance and pricing, keeping revenue growth ahead of spending. Bear case: capex ramps without a clear near-term payoff, compressing free cash flow and keeping the stock volatile.

Current Share Price: \$608.75, **Consensus Target Price:** \$832.71.

Apple (AAPL) record quarter, record cashflow, and US\$100bn more buybacks

Apple’s FY26 Q2 (ended 28 March 2026) was a “quality beat”: revenue rose 17% to US\$111.2bn and EPS rose 22% to US\$2.01, with Apple calling it its best March quarter ever. Apple generated over US\$28bn in operating cash flow in the quarter and authorised an additional US\$100bn buyback program while raising the dividend 4% to US\$0.27/share. The AI angle remains Apple’s “quiet strategy” investors watch for features translating into upgrades and Services attachment rather than disclosed AI capex targets. Key watch next quarter: iPhone upgrade signals and Services growth — plus buyback pace, which can materially lift EPS even if growth moderates. Bull case: Services growth remains resilient and new features drive upgrades, keeping earnings steady and buybacks powerful. Bear case: upgrades slow in key regions and competition intensifies, limiting growth despite Services strength.

Current Share Price: \$280.14, **Consensus Target Price:** \$298.94.

Upcoming Dividends: 5th May to 5th June 2026.

Description	Security	Ex Div Date	Books Close	Gross Dividend Amount	Pay Date
Millennium & Copthorne Hotels	MCK	07-May-26	08-May-26	4.17cps	15-May-26
ANZ Group Holdings	ANZ	11-May-26	12-May-26	115.32cps	01-Jul-26

Source: LSEG

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