

Yovich & Co. Weekly Market Update

8th December 2025

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 28th November	13489.15	8918.69	3888.60	9720.51	47716.42	23365.69	0.8754	0.5734	2.25%
Week Close 5th December	13483.99	8926.13	3902.81	9667.01	47954.99	23578.13	0.8698	0.5775	2.25%
Change	-0.04%	0.08%	0.37%	-0.55%	0.50%	0.91%	-0.64%	0.71%	0.00%

The NZX 50 edged down about 0.04% for the week to 13,483.99, essentially flat after a strong run through November.

The All Ordinaries was also quite flat for the week with a gain of 0.08% to 8,926.1. Lithium and the broader resources sector outperformed, even as consumer discretionary and energy stocks sagged. Inflation remains stubborn, running near 3.8% y/y and a slowing but still-resilient labour market, which has pushed expectations for the RBA cutting rates and even sparked chatter about possible hikes in 2026. Futures pricing suggests that the RBA will hold the cash rate at 3.6% in the upcoming meeting, so equities have been trading water as investors wait for clearer guidance from both the RBA and the Fed.

The Shanghai Composite gained approximately 0.37% for the week to close at 3,902.8, supported by a 0.7% rise on Friday, but remains a little over 2% lower over the past month despite a strong year-to-date performance. Sentiment is being pulled between renewed stimulus expectations and ongoing concerns around the property sector and domestic demand. Recent commentary highlights easier onshore liquidity conditions and the yuan trading near a 14-month high, while reiterating that property-related risks “remain front and centre.” Investors are now focused on upcoming policy signals from key meetings scheduled later this month including CPI, trade and PPI.

The FTSE 100 slipped about 0.55% over the week to 9,667.01. The pull-back has been driven mainly by heavyweights in the energy and industrials space, with names such as BP and Shell underperforming as oil prices wobbled and investors locked in profits after a strong autumn rally. UK shop-price inflation eased to 0.6% y/y in November, and official CPI has dropped to 3.8%, reinforcing the sense that the inflation shock is gradually being tamed. Even so, the Bank of England kept the Bank Rate at 4.0% in November, and markets are now focused on the 18th December meeting for any hint of easing.

Wall Street extended its rebound, with the Dow Jones Industrial Average up 0.50% for the week to 47,955 and the Nasdaq Composite up 0.91% to 23,578, leaving the S&P 500 near record highs after a volatile November. The move has been broad but remains skewed toward large-cap technology and AI-exposed names. Futures are pricing an 80–85% probability of a third consecutive 25bp cut, and recent data, softer inflation and a mixed labour market continue to support the “soft landing” narrative, with incremental easing and resilient earnings underpinning risk appetite. Delayed Commerce Department data showed real consumer spending rose 0.3% in September, in line with consensus, after a downwardly revised 0.5% in August. The core PCE Price Index increased 0.3% m/m and 2.8% y/y, unchanged from August on a monthly basis and broadly in line with expectations.

The biggest movers of the week ending 5 December 2025				
Up			Down	
Fletcher Building	8.66%		Gentrack Group	-12.56%
Vista Group International	4.62%		Hallenstein Glasson	-4.88%
Oceania Healthcare	4.14%		Turners Automotive Group	-4.58%
Channel Infrastructure NZ	3.73%		The a2 Milk Company	-4.37%
KMD Brands	3.70%		Briscoe Group	-4.32%

Source: Iress

Investment News

Fonterra Co-operative Group (FSF.NZ)

Fonterra reported a solid start to FY26, with Total Group profit after tax of \$278m, up \$15m on the same quarter last year, equivalent to 17c per share. Profit from continuing operations (i.e., excluding the Consumer businesses being sold) was \$158m, or 9c per share, slightly lower than last year due to timing of sales rather than weaker demand. The Co-op reaffirmed its FY26 earnings guidance for continuing operations at 45–65c per share and maintained its Farmgate Milk Price forecast at \$9.00–\$10.00 per kgMS (midpoint \$9.50), following last week’s tightening of the range as global milk supply has lifted. Strategically, Fonterra is progressing a major shift to a pure business-to-business (B2B) dairy model, after farmer shareholders voted in October to approve the \$4.22b sale of Mainland Group to Lactalis, with completion targeted for the first half of calendar 2026. Management reiterated its goal to restore earnings to FY25 levels by FY28, even after the sale, supported by up to \$1b of investment over the next 3–4 years in efficiency and value-add projects, including expansions at Clandeboye (butter), Studholme (protein hub), and Edendale (UHT cream plant). Fonterra also confirmed its intention to return \$2.00 per share tax-free (about \$3.2b) to shareholders and unit holders once the Mainland sale completes, subject to a further shareholder vote on 19 February 2026 and Court approval. Bulls see the combination of strong early-year earnings, a high farmgate milk-price range, balance-sheet flexibility and a large capital return as very supportive for farmer and investor confidence, while bears point to execution risk around completing the Mainland sale, the challenge of replacing divested earnings by FY28, and the sensitivity of milk-price and margins to global commodity and supply swings. Share Price Reaction: FSF units have been firm to slightly stronger since the Q1 update and recent milk-price revision, with the market taking comfort from steady earnings guidance, a still-attractive milk-price range, and the prospect of a sizeable \$2.00-per-share capital return once the Mainland transaction closes.

Current Share Price: \$8.00, **Consensus Target Price:** \$8.49, **Forecasted Gross Dividend Yield:** 5.30%.

Netflix Inc. (NFLX.NAS)

Netflix has agreed a cash-and-stock deal to buy Warner Bros Discovery’s studio and streaming business (including Warner Bros film and TV studios, HBO / HBO Max and DC Studios) for an enterprise value of about US\$82.7b (equity value ~US\$72b, or US\$27.75 per WBD share). The deal would bring together the world’s largest subscription streaming platform with one of Hollywood’s most important content libraries, adding franchises such as Harry Potter, DC superheroes and Game of Thrones under the Netflix umbrella. Warner’s U.S. cable networks (e.g. CNN, Discovery) will be spun off into a separate company, so Netflix will focus on the studio + streaming assets. Management has told subscribers that “nothing is changing today” and that both services will run separately until the deal closes, which is expected to take 12–18 months and remains subject to regulatory and antitrust (competition-law) review in the U.S. and abroad. Bulls see the acquisition as a transformational move that massively strengthens Netflix’s content library, bargaining power and global scale, potentially driving higher pricing power and lower churn over time. Bears highlight the very large price tag, integration risk, and intense regulatory scrutiny, with politicians and industry groups already warning about market concentration, job losses and the impact on cinemas and independent producers. Share Price Reaction: On the announcement, Netflix shares fell roughly 3%, while Warner Bros Discovery shares rose around 6%, reflecting classic deal dynamics: investors are cautious about the cost and regulatory risk for the buyer, while the target’s shareholders welcome a sizable takeover premium.

Current Share Price: \$100.24, **Consensus Target Price:** \$133.41.

Upcoming Dividends: 9th December to 9th January.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
Private Land and Property Fund	PLP	10-Dec-25	11-Dec-25	1.53cps	18-Dec-25
Mainfreight Limited	MFT	11-Dec-25	12-Dec-25	118.06cps	19-Dec-25
Seeka Limited	SEK	18-Dec-25	19-Dec-25	13.89cps	19-Jan-26
F&C Investment Trust	FCT	31-Dec-25	5-Jan-26	8.79cps	2-Feb-26
Turners Automotive Group Limited	TRA	9-Jan-26	12-Jan-26	11.11cps	29-Jan-26

Source: Iress

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