

Yovich & Co. Weekly Market Update

14th April 2025

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 4th April	12225.28	7847.59	3342.01	8054.98	38314.86	15587.79	0.9298	0.5579	3.75%
Week Close 11th April	12019.13	7853.68	3238.23	7964.18	40212.71	16724.46	0.9231	0.5822	3.50%
Change	-1.69%	0.08%	-3.11%	-1.13%	4.95%	7.29%	-0.72%	4.36%	-0.25%

There were mixed results between indexes last week. The NZX50 was down -1.69% due to ongoing uncertainty in the markets due to tariffs. Total trading volume was light with 26.7 million shares worth \$104.55m traded. The Official cash rate was reduced by 0.25% which was widely forecasted by economists. ANZ, ASB, BNZ and Kiwibank are forecasting another 0.25% cut in the next OCR review on the 28th of May.

The All-Ordinaries Index ended the week relatively flat, despite a rollercoaster few days. It dropped 4.12% on Monday, bounced back with a 2.39% gain on Tuesday, surged 4.66% on Thursday, and dipped slightly again on Friday. This volatility was largely driven by ongoing uncertainty surrounding tariffs, which continue to unsettle the markets, although the 90-day tariff pause may provide some relief in the short-term. Commonwealth Bank released some commentary on Australia spending, showing that household spending has increased by 0.9% for March, with interest rate cuts expected to fuel consumer recovery throughout 2025, although remaining a cautious approach due to the global uncertainty.

The Shanghai Composite Index had a volatile week, closing down 3.11% as markets reacted to President Trump's announcement of continued tariffs on Chinese goods. However, over the weekend, Trump provided some relief by confirming that smartphones, computers, and several other electronic devices would be exempt from the 125% levies on Chinese imports.

Wall Street finished strong on Friday, with the Dow Jones up 4.9% for the week and tech heavy Nasdaq up 7.29%. Big banks kicked off the first-quarter earnings season. The rebound helped calm investor nerves after a wild week of market swings fuelled by ongoing uncertainty around President Trump's escalating trade tensions. Adding to the positive momentum were reassuring remarks from Boston Fed President Susan Collins, who is one of the central banks' top officials. She has said that the Fed is ready to step in to keep financial markets running smoothly if needed. Investors were also encouraged by Trump's announcement of a 90-day reprieve for most countries affected by tariffs, giving markets a bit of breathing room. On the economic front, inflation appears to be easing; however, this likely doesn't yet reflect the impact of newly implemented tariffs, which may take time to work their way through the data. The Consumer Price Index rose 2.4% in March compared to a year earlier, under the 2.6% economists were expecting. Interestingly, prices actually dipped 0.1% in March on a monthly basis—the first drop in nearly five years. A big part of that was falling fuel costs, with gasoline prices down 9.8% over the past year, according to the U.S. Bureau of Labor Statistics.

Weekly Market Movers

The biggest movers of the week ending 11 April 2025			
Up		Down	
The a2 Milk Company	3.75%	SKYCITY Entertainment Group	-9.45%
Vector	3.52%	Vulcan Steel	-9.30%
Sky Network Television	2.98%	Serko	-8.92%
Property for Industry	1.67%	Hallenstein Glasson	-7.96%
Auckland International Airport	1.19%	ANZ Bank	-7.87%

Investment News

Ebos Group Limited (EBO.NZ)

EBOS Group, the company behind Animates and a major player in the healthcare and animal care space, is looking to raise up to NZ\$275 million (A\$250 million) to buy 100% of SVS Veterinary Supplies, a well-established New Zealand business. SVS supplies pet medicines and products to around 500 veterinary clinics and 200 specialty retailers across the country and employs over 100 people. So far, EBOS has already raised NZ\$217 million through a fully underwritten institutional offer, which saw strong interest from investors. A retail offer to existing shareholders will open on Wednesday, 16th of April, aiming to raise a further NZ\$54 million. The funds will go toward an upfront payment of NZ\$115 million for the acquisition, with up to NZ\$10 million more depending on how SVS performs in the future.

Current Share Price: \$37.42, **Consensus Target Price:** \$40.45, **Forecast dividend Yield:** 3.35%, **Total Potential Return:** 13.4%.

Infratil Limited (IFT.NZ)

An independent valuer has recently updated their assessment of the Canberra Data Centres (CDC) as at 31st of March. Infratil, which owns 48.17% of CDC, confirmed that the transaction met all the criteria for fair market value. The valuer set the midpoint of CDC's valuation at A\$13.7 billion. Based on that, Infratil's share is now valued between A\$6.07 billion and A\$7.21 billion, with a midpoint of A\$6.6 billion. That's a solid lift from the December 2024 valuation, which ranged from A\$4.49 billion to A\$5.39 billion, with a midpoint of A\$4.92 billion.

Current Share Price: \$10.07, **Consensus Target Price:** \$12.72, **Forecast dividend Yield:** 2.2%, **Total Potential Return:** 29.0%.

Upcoming Dividends: 15th April to 15th May.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
The Bankers Investment Trust Plc	BIT	23-Apr-25	24-Apr-25	1.55 cps	30-May-25
CDL Investments NZ	CDI	01-May-25	02-May-25	4.86cps	16-May-25

Source: Iress

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