

# Yovich & Co. Weekly Market Update

31<sup>st</sup> March 2025

## Market News

As at 28th March	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week	12113.54	8158.69	3364.83	8646.79	41985.35	17784.05	0.9145	0.5734	3.75%
Week Close	12287.46	8195.46	3351.31	8658.85	41583.90	17322.99	0.9091	0.5716	3.75%
Change	1.44%	0.45%	-0.40%	0.14%	-0.96%	-2.59%	-0.59%	-0.32%	0.00%

The NZX 50 Index increased by 1.44% this week, primarily driven by some recent economic data which is showing that New Zealand's economy is gradually heading in the right direction with recovery. Lower interest rates are starting to take effect. Gentracks share price increased by over 8% on speculation it has won a major offshore contract.

The Australian All Ordinaries Index edged up slightly by 0.45% which was driven by gains in the mining and energy sectors (namely, Rio Tinto, BHP, AGL and Woodside energy). Seven of the 11 industries were positive.

The Shanghai index decreased slightly by -0.4%. The banking sector was down for the week as well as energy and resources.

The UK FTSE 100 Index experienced a slight increase of 0.14%. The latest UK retail sales data has shown an unexpected increase for February, boosted by non-food store sales. GDP figures have confirmed that the economy has grown 0.1% in quarter four. Inflation has also eased with CPI at 2.8% for February if compared to 3% in January. The Bank of England has left interest rates unchanged, with the benchmark rate at 4.5%

U.S. markets ended the week on a down note as investors reacted to President Donald Trump's latest tariff announcement. The Dow dropped 0.96%, while the Nasdaq fell 2.59%. On Wednesday, Trump revealed plans to impose a 25% tariff on imported cars and light trucks starting from the 3<sup>rd</sup> of April followed by duties on auto parts beginning 3<sup>rd</sup> of May. Investors are also preparing for a new round of retaliatory tariffs expected next week, though Trump has suggested there might be room for flexibility. On the economic front, the latest survey from the University of Michigan showed that consumer inflation expectations spiked to their highest level in almost two and a half years, with inflation expected to persist for at least the next year. U.S. personal spending for February increased by 0.4% month-over-month, falling short of expectations for a 0.5% gain. However, personal income for February rose by 0.8%, stronger than the anticipated 0.4%, marking the largest increase in 13 months.

## Weekly Market Movers

The biggest movers of the week ending 28 March 2025			
Up		Down	
Gentrack Group	8.02%	Oceania Healthcare	-7.81%
Meridian Energy	6.58%	Fonterra Shareholders' Fund	-6.55%
Contact Energy	5.52%	Vital Healthcare Property Trust	-4.49%
Spark	4.00%	Heartland Group	-3.75%
The Warehouse Group	3.57%	Freightways	-3.59%

Source: Iress

## Investment News

### Ryman Healthcare (RYM.NZ)

Ryman Healthcare has finalised some of their repayment arrangements with lenders after successfully completing their \$1 Billion raise on the 17<sup>th</sup> of March. Ryman has agreed to fully repay its \$275 million Institutional Term Loan which was established in 2021. The repayment will include additional costs of \$22 million to cover make-whole provisions, prepayment fees, and the closeout of the associated interest rate swap. Following these repayments, Ryman's remaining debt facilities will total approximately \$2.208 billion.

**Current Share Price:** \$2.75, **Consensus Target Price:** \$4.59, **Total Potential Return:** 66.9%.

### Synlait Milk Limited (SML.NZ)

Synlait Milk has reported first-half operating earnings of \$63.1 million, slightly exceeding its previously forecasted range of \$53 million to \$63 million for the period ending 31<sup>st</sup> of January. The company has also posted a net profit after tax of \$4.8 million, a significant turnaround from the \$96.2 million net loss recorded in the same period last year. Meanwhile, net debt has dropped 29% to \$391.9 million, reflecting an improved financial position. Revenue climbed 16% to \$916.8 million. For the 2024-25 season, Synlait's base milk price forecast stands at \$10 per kg of milksolids. Suppliers without a "cease" notice are also eligible for additional premium payments, bringing the total forecast average milk payment to \$10.48 per kg.

**Current Share Price:** \$0.78, **Consensus Target Price:** \$0.59, **Forecast dividend Yield:** 0.00%, **Total Potential Return:** -24.4%.

### King Salmon (NZK.NZ)

NZ King Salmon recently posted their FY25 results stating that they have achieved \$211 million in revenue, up 13% from the previous year. However, higher fish mortality rates and slower growth led to a 53% drop in net profit. The drop in net profit is also due to higher operational costs which outweighed the benefits of increased sales, falling to \$13.4 million from \$28.5 million in FY24. Despite these challenges, underlying EBITDA rose 21% to \$29.7 million. The company remains focused on Blue Endeavour, its open ocean farming project, as a key driver of future growth.

**Current Share Price:** \$0.23, **Consensus Target Price:** \$0.29, **Forecast dividend Yield:** 0.00%, **Total Potential Return:** 28.9%.

### Meridian Energy (MEL.NZ)

Meridian Energy has officially approved plans to build a 130-megawatt solar farm in Ruakākā, just south of Whangārei. The \$227 million project, set to begin construction in August, will generate enough power to supply half the homes in Northland once it's up and running. This marks a significant milestone for Meridian as it will be the company's first large-scale solar farm in New Zealand. Meridian's Chief Executive, Neal Barclay, shared that this development will not only enhance Northland's energy resilience but also add valuable renewable energy to the national grid. Covering an area roughly the size of 170 rugby fields, the solar farm will feature 250,000 solar panels and generate up to 230 gigawatt-hours of electricity annually.

**Current Share Price:** \$5.66, **Consensus Target Price:** \$6.46, **Forecast dividend Yield:** 4.9%, **Total Potential Return:** 19.2%.

### **Hallenstein Glassons Limited (HLG.NZ)**

Hallenstein Glasson posted a steady half-year profit as sales grew, but higher costs and tighter margins limited gains. Reported a \$21.2 million profit for the six months to February, unchanged from last year. Sales rose nearly 8% to \$240 million, but margins slipped due to a tough New Zealand retail environment and a stronger USD increasing inventory costs. Glassons remained the group's key driver, with strong Australian sales lifting profit by 16%, while New Zealand sales saw slight growth. In contrast, Hallensteins struggled with flat sales, shrinking margins, and a nearly 50% profit drop. Online sales made up almost 18% of total revenue, though the company noted customers are still engaging in both physical and digital shopping.

**Current Share Price:** \$8.23, **Consensus Target Price:** \$9.10, **Forecast dividend Yield:** 7.6%, **Total Potential Return:** 18.8%.

## **Scam Protection Awareness**

### **Protecting Yourself from Financial Scams: Essential Tips for Staying Safe**

In today's digital age, safeguarding yourself against financial scams is more critical than ever. Scammers are becoming increasingly sophisticated, targeting individuals, professionals, and businesses with increasingly elaborate schemes designed to deceive and defraud. We want to ensure you're aware of these threats and know how to protect yourself. By understanding common tactics and implementing preventive measures, you can significantly reduce your risk.

#### **Common Scams to Watch Out For:**

##### **Bank Impersonation Scams**

Scammers may pose as bank representatives, warning you about a supposed fraudulent transaction or claiming that your online banking access has been blocked. They may ask for remote access to your computer or request you to reverse a transaction using a specific 'refund' code. Remember: legitimate banks will never ask for your passwords, PINs, or remote access to your devices. If in doubt, always contact your bank directly using official contact details.

##### **Two-Caller Fraud Scheme**

This scam involves two individuals working together. One gathers your account details through phishing, while the second impersonates a bank official/investment adviser or fund manager, using the stolen information to gain your trust and manipulate you into authorising fraudulent transactions. Always be cautious and verify any request you receive.

##### **Business Email Compromise & Invoice Scams**

Cybercriminals can hack email accounts and alter bank details in invoices or settlement statements, redirecting funds to fraudulent accounts. This method has led to significant financial losses, particularly for businesses. Ensure that you always verify payment details before making any transfers. We verbally confirm payment details with clients to ensure that we are sending these funds to the right place.

Several law firms are believed to have lost more than \$2 million after falling victim to a phone call in which people pretend to be from ANZ Bank. More than \$2m has been transferred out of several Wellington-based firms' trust accounts and the funds were sent offshore. These scams often involve urgent communications and highly sophisticated tactics that can make them difficult to detect. If you're ever in doubt about a communication you receive, it's crucial to take a moment to verify its authenticity.

## Confirmation of Payee

Many banks now offer services that confirm whether the name and account number match before processing payments. This simple step can help you avoid making payments to fraudulent accounts

Banks like ASB have introduced features such as 'Caller Check,' allowing you to verify if a caller claiming to be from the bank is legitimate. If you're uncertain about a call, always confirm the caller's identity through the bank's official channels.

## Key Takeaways to Stay Safe:

- **Verify All Communications:** If someone claims to be from your bank, always use official channels to confirm their identity.
- **Be Wary of Urgency:** Scammers often try to create a sense of urgency to pressure you into taking hasty actions. Take your time to verify the situation.
- **Double-Check Payment Details:** Always confirm payment information with trusted contacts, especially for large transactions.
- **Never Grant Remote Access:** Remember, legitimate financial institutions will never ask you to grant them remote access to your computer.

At Yovich & Co Wealth Management your security is our priority. By staying informed and vigilant, you can greatly reduce the risk of falling victim to scams. If you ever have any concerns or come across suspicious activity, don't hesitate to contact us or your bank directly. We're here to help.

## Upcoming Dividends: 1<sup>st</sup> April to 1<sup>st</sup> May.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
Hallensteins Glassons	HLG	09-Apr-25	10-Apr-25	28.36cps	17-Apr-25
F&C Investment Trust PLC	FCT	10-Apr-25	11-Apr-25	10.80 cps	7-May-25
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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