

Yovich & Co. Weekly Market Update

2nd February 2026

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 23rd January	13448.24	9189.87	4136.16	10143.44	49098.71	23501.24	0.8628	0.5950	2.25%
Week Close 30th January	13423.18	9164.83	4117.95	10223.54	48892.47	23461.82	0.8648	0.6021	2.25%
Change	-0.19%	-0.27%	-0.44%	0.79%	-0.42%	-0.17%	0.23%	1.19%	0.00%

The NZX 50 decreased slightly -0.19% over the week to 13,423.18, giving back a small portion of the prior week's gains and keeping the market in a relatively tight consolidation range. ANZ banks January's business confidence is down 10 points from December's 30-year high but is still considered to be extremely strong.

Australia's All Ordinaries eased 0.27% to 9,164.80, with overall risk appetite still subdued; however, resources and defensives were relative outperformers, holding up better than more rate-sensitive sectors. Markets now turn to the Reserve Bank of Australia policy decision which will be announced on the 3rd of February, which could influence both financials and AUD-linked exposures. Precious metals have been a key support for the local resources complex, underpinning gold names earlier in the week before a sharp pullback on Friday trimmed some momentum. On the macro front, the Australian Bureau of Statistics reported headline inflation at 3.8% for the 12 months to December, up from 3.4% in the year to November.

China's Shanghai Composite eased -0.44% to 4,117.95, with sentiment still balancing "policy support vs. growth durability" and day-to-day moves remaining sensitive to incremental policy headlines.

The FTSE 100 gained 0.79% to 10,223.54, supported by the global commodity backdrop and defensives holding up better than cyclicals in a mixed risk environment. On the macro front, the next Bank of England decision is due 5th February 2026, which may matter for GBP-sensitive sectors and UK rate expectations.

In the United States, equities eased back in a range-bound week, with the Dow down 0.42% to 48,892.47 and the Nasdaq Composite falling slightly to 0.17% to 23,461.82. Interest rates remained the key swing factor, with the US 10-year yield ending near 4.24%, after the Federal Reserve held policy steady as expected; Chair Jerome Powell said rates are "in a good place" and the economy continues to show surprising strength, while the next near-term catalyst is the Fed minutes from the Jan 27-28 meeting due 18th February 2026. Over the weekend, gold and silver pulled back sharply after an exceptional surge to record high, which was largely driven by Friday's move. Spot gold was down about 9.5%, and spot silver down about 27.7% as positioning unwound, amid profit-taking, a firmer US dollar, and a repricing of rate expectations after Donald Trump nominated Kevin Warsh to lead the Fed.

The biggest movers of the week ending 30 January 2026			
Up		Down	
Hallenstein Glasson	2.59%	Vista Group International	-10.14%
Infratil	2.50%		-5.60%
The a2 Milk Company	2.17%		-4.63%
Tower	2.12%		-4.47%
Freightways	1.96%		-4.46%
Ryman Healthcare			
Tourism Holdings			

Source: Iress

Investment News

ResMed (RMD.asx)

ResMed posted a solid Q2 FY26, with revenue up 11% to US\$1.42b and diluted EPS up about 15% to US\$2.68, driven by growth in sleep and respiratory devices, masks and accessories, and its software (SaaS) business. Gross margin improved to 61.8% on lower freight and component costs and a better product mix, and the company generated strong cashflow while continuing dividends and share buybacks. Management also highlighted progress in AI-enabled features (artificial-intelligence-driven tools), such as its new “Smart Comfort” function that automatically adjusts CPAP comfort settings. Bulls see double-digit revenue growth, rising margins and recurring mask/software revenue as confirmation that ResMed is navigating the post weight-loss-drug scare well, while bears still worry about long-term demand impacts from obesity drugs and competition in sleep apnoea. Share price reaction was positive on the back on the announcement closing the day up 3.13%.

Current Share Price: \$36.93, **Consensus Target Price:** \$45.55, **Forecasted Gross Dividend Yield:** 0.70%.

Microsoft Corp. (MSFT) – Q2 FY26 (December quarter 2025)

Microsoft’s latest result (Q2 FY26) showed another very strong top-line and profit performance: revenue was US\$81.3 billion (+17% y/y), with adjusted (non-GAAP) EPS of US\$4.14 (+24% y/y) and Microsoft Cloud revenue topping US\$51.5 billion for the first time, up 26% year-on-year. Azure and other cloud services grew 39% y/y, underlining how AI demand is now a major growth engine across the cloud, productivity (Microsoft 365) and developer (GitHub Copilot) franchises. The sting in the tail was capital expenditure (capex) of US\$37.5 billion for the quarter (+66% y/y), largely for AI-heavy data-centre infrastructure, and slightly slower Azure growth versus the previous quarter, which raised questions about returns on that spend. Bulls see a rare combination of scale, high-margin cloud/AI businesses and long-term contracts (backlog around US\$625 billion) as a powerful foundation; bears worry that AI capex could stay elevated for years, margins could be squeezed, and Microsoft is heavily exposed to a few big partners such as OpenAI.

Share Price Reaction: Despite the earnings beat, Microsoft’s shares fell sharply – roughly 7–10% over the following session as markets focused on the surge in AI-driven capex and signs of cooling in Azure growth.

Current Share Price: \$430.29, **Consensus Target Price:** \$602.03, **Forecasted Gross Dividend Yield:** 0.80%.

Meta Platforms, Inc. (META) – Q4 2025

Meta’s Q4 2025 numbers were very strong: revenue rose 24% year-on-year to US\$59.89 billion, while EPS climbed to US\$8.88 versus US\$8.02 a year earlier, both comfortably ahead of expectations. The core “Family of Apps” ad business (Facebook, Instagram, WhatsApp) continues to benefit from higher ad impressions and pricing, and management guided to another quarter of fast revenue growth as AI-driven ad tools and recommendation systems improve monetisation. The flip-side is cost: total expenses jumped 40% y/y, and Meta flagged huge 2026 capital expenditure (US\$115–135 billion) to build out AI infrastructure, even as it trims some metaverse initiatives. Bulls argue Meta’s massive user base, strong ad cashflows and aggressive AI push can justify the investment; bears point to ballooning spend, regulatory and legal overhangs, and the risk that returns on these AI bets take longer to materialise.

Share Price Reaction: The market liked what it saw: Meta shares jumped roughly 9–11% in after-hours and early trading following the Q4 release, reflecting relief on growth and guidance despite the heavy AI spending plans.

Current Share Price: \$716.50, **Consensus Target Price:** \$848.97, **Forecasted Gross Dividend Yield:** 0.30%.

Apple Inc. (AAPL) – Q1 2026 (holiday quarter)

Apple's latest result was its biggest quarter ever: Q1 2026 revenue reached US\$143.8 billion (+16% y/y), with EPS of US\$2.84 (+19% y/y), both ahead of market forecasts. The star was the iPhone, which delivered about US\$85 billion of revenue (+23% y/y), helped by strong global demand for the iPhone 17 and a sharp rebound in China; Services also set a new record at around US\$30 billion. Mac and Wearables were softer, and management highlighted a developing memory-chip shortage that could pressure margins, while Apple tries to catch up in the AI race by integrating Google's Gemini into Siri and acquiring AI start-up Q.ai. Bulls see a very sticky ecosystem of 2.5 billion active devices, robust cash generation and new AI features as support for ongoing buybacks and dividends; bears argue that at Apple's size, sustaining double-digit growth is hard, hardware remains cyclical, and Apple is a late mover in visible AI products.

Share Price Reaction: Despite the record quarter, Apple's stock only moved modestly higher roughly 1% up in extended trading, after an initial spike of about 3% to 4%, as much of the good news appeared already priced in.

Current Share Price: \$259.48, **Consensus Target Price:** \$288.92, **Forecasted Gross Dividend Yield:** 0.40%.

KMD Brands Limited (KMD.NZ / KMD.ASX)

KMD's trading update for the first five months of FY26 showed an encouraging lift in performance, with Group sales up 7.9%, led by Kathmandu (+12.9%), while Rip Curl (+5.6%) and Oboz (+4.5%) also grew. Same-store sales (including online) were +12.7% at Kathmandu and +1.7% at Rip Curl, helped by strong Black Friday and Christmas trading, and wholesale sales are 9.4% ahead of last year. Gross margin of 56.7% is about 1 percentage point lower due to heavier discounting, but better than the second half of FY25, and management now expects 1H FY26 underlying EBITDA of \$8–11m (vs \$3.9m a year ago) with bank facilities extended to April 2027. Bulls see improving sales momentum, better earnings and a cleaner inventory position; bears focus on thinner margins, modest profit levels and a still-tough discretionary retail backdrop.

Share Price Reaction: KMD last closed around \$0.28 per share, with the update released very recently, so the market is still digesting whether stronger sales and higher EBITDA guidance are enough to offset ongoing margin pressure and leverage concerns.

Current Share Price: \$0.27, **Consensus Target Price:** \$0.34.

Upcoming Dividends: 3rd February to 3rd March.

There are no dividends for this period.

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