

Yovich & Co. Weekly Market Update

22nd April 2025

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 11th April	12019.13	7853.68	3238.23	7964.18	40212.71	16724.46	0.9231	0.5822	3.50%
Week Close 18th April	12118.99	8021.90	3276.73	8275.66	39142.23	16286.45	0.9309	0.5929	3.50%
Change	0.83%	2.14%	1.19%	3.91%	-2.66%	-2.62%	0.84%	1.84%	0.00%

The NZX 50 Index edged up 0.83% to close at 12,118.99 recovering from the previous week's decline. Trading volumes remained light, due to the long weekend. Quarterly inflation data was released last week highlighting a rise in CPI on the back of more expensive petrol, housing, rents and school fees but remains in the Reserve Banks target band. The CPI rose 0.9% percent in the three months ending march, which is the biggest quarterly increase since September quarter of 2023.

The All-Ordinaries Index posted a notable gain for the week, at 2.14%. This was driven by a rally in energy stocks, real estate, consumer staples and gold miners after the previous metal hit a new all-time high amid concerns of President Trumps trade war. The Shanghai Composite Index rose 1.19% to close at 3,276.73.

The FTSE 100 Index advanced 3.91% for the week, closing at 8,275.66. Which marked its biggest weekly gain since October 2022. Expectations are also rising for a Bank of England rate cut in May following last week's lower-than-expected UK inflation data.

U.S. markets experienced declines, with the Dow Jones Industrial Average falling 2.66% to 39,142.23, and the NASDAQ Composite dropping 2.62% to 16,286.45. Nvidia has made comment that the steep charges from new U.S. Tariffs on its chip exports to China will impact their operations. The Federal Reserve Chair Jerome Powell also said U.S. economic growth appears to be slowing.

Weekly Market Movers

The biggest movers of the week ending 18 April 2025			
Up		Down	
Heartland Group	6.94%	Tourism Holdings	-13.33%
Vista Group International	5.49%	Meridian Energy	-4.71%
Vulcan Steel	4.65%	Hallenstein Glasson	-4.69%
Manawa Energy	4.45%	Port of Tauranga	-3.48%
Infratil	4.16%	Skellerup Holdings	-1.45%

Source:lress

Investment News

Channel Infrastructure (CHI.NZ)

On April 9, 2025, the New Zealand Government announced that, effective from 1 July 2028, diesel importers with over 10% market share must increase their onshore reserves from 21 to 28 days adding approximately 70 million litres to enhance fuel security. Channel Infrastructure is well-prepared to support this mandate, offering around 350 million litres of adaptable tank capacity at Marsden Point and efficient access to Auckland, the country's largest fuel market. Additionally, Channel has initiated front-end engineering and design for a potential diesel-fired electricity generation plant at Marsden Point, aimed at providing peaking capacity during winter demand surges. This project, funded by two electricity market participants, could see Channel receiving capacity payments for making the plant available to customers, further contributing to New Zealand's energy resilience.

Current Share Price: \$1.92, **Consensus Target Price:** \$2.06, **Forecast dividend Yield:** 5.9%, **Total Potential Return:** 14.4%

A Comparative Spotlight on Uranium Producers and Next-Gen Nuclear Innovators:

The Jevons Paradox tells us that as energy becomes more efficient and accessible, overall consumption often rises. In today's world where AI and data centers are driving a surge in electricity demand that idea is becoming more relevant. With global power use expected to more than double by 2030, efficiency alone won't solve the challenge. There is an urgent need for reliable, low-carbon energy, and nuclear is increasingly seen as a key part of the solution on a global scale.


The following companies are making significant strides in the sector, through uranium exploration and supply, or through innovative technologies like small modular reactors which may meet scalable energy requirements.

Cameco Corporation (TSXV: CCO) – Large Cap Uranium Leader

Cameco is one of the world's largest and most established uranium producers. The company operates two major mines in Canada: McArthur River/Key Lake and Cigar Lake, both located in Saskatchewan. In 2025, Cameco is targeting production of approximately 36 million pounds of Uranium, split evenly between these two operations. With decades of operating history, Cameco has a robust financial position, established customer contracts, and global credibility in uranium supply. It represents the mature, low-risk end of the uranium investment spectrum and is often viewed as the industry benchmark. The company operates across the nuclear fuel cycle, including uranium mining, refining, conversion, and fuel manufacturing.

In a strategic move to diversify and strengthen its position in the nuclear sector, Cameco acquired a 49% stake in Westinghouse Electric Company, a leading nuclear services firm. This acquisition enhances Cameco's capabilities in nuclear fuel services and reactor technology. Cameco's extensive asset base, vertical integration, and strategic partnerships position it well to capitalise on the growing global demand for nuclear energy as a low-carbon power source.

Security Code	CCO.TSX			
Description	Uranium exploration and Fuel Services			
Exchange	TSX			
Industry	Coal & Consumable Fuels			
Market Capitalisation (CAD)	\$24.81 Billion			
Index				
Weighting in Index				
Current Price (CAD)	\$		57.00	
Target Price (CAD)	\$		82.16	
Discount to Target Price	30.62%			
5 Year Hist Return	312.15%			
5 Year Hist Risk (SD)	45.95%			



Forecasts	12/2024A	12/2025F	12/2026F	12/2027F
PE Ratio	85.07	45.22	26.71	23.29
Dividend Yield (%)	0.28%	0.35%	0.42%	0.44%
Revenue (CAD)	\$3,136 Million	\$3,377 Million	\$3,818 Million	\$4,048 Million
EBITDA (CAD)	\$791 Million	\$1,622 Million	\$2,068 Million	\$2,287 Million
Net Debt (CAD)	\$681 Million	\$492 Million	\$-511 Million	\$-1,877 Million
\$ 61.62	\$ 71.89	\$ 82.16	\$ 92.43	\$ 102.70
Strong Buy	Buy	Hold	Sell	Strong Sell
↑				

Source: Iress

Cameco Corp (CCO.TSX) shows a strong growth outlook, supported by rising revenue and earnings. The company's P/E ratio is expected to drop from 85.07 in 2024 to 23.29 by 2027, suggesting improving value as earnings grow. Revenue is forecasted to increase from C\$3.14 billion to C\$4.05 billion, while EBITDA more than doubles from C\$791 million to C\$2.29 billion, highlighting stronger profitability.

Financially, Cameco is expected to shift from C\$681 million in net debt to C\$1.88 billion in net cash by 2027, showing solid cash generation and balance sheet strength.


With a current price of C\$57.00 and a target of C\$82.16, the stock trades at a 30.62% discount, offering strong upside potential. According to our methodology, Cameco Corp. is assigned a 'Strong Buy' rating.

NexGen Energy Ltd. (TSXV: NXE) – Mid Cap Uranium Developer

NexGen Energy Ltd. is a Canadian uranium development company advancing one of the world's largest and highest-grade undeveloped uranium deposits — the Rook I Project — located in Saskatchewan's renowned Athabasca Basin. The project's cornerstone, the Arrow Deposit, is globally recognised for its scale and strategic importance. As of April 2025, Rook I is in the final stages of regulatory approval, with hearings by the Canadian Nuclear Safety Commission scheduled for late 2025 and early 2026. Subject to approval, construction could begin soon after, with initial production targeted for late 2029.

To date, NexGen has raised over C\$500 million through equity and convertible debt — including a capital raise in Australia — though further funding will be needed to meet the estimated C\$2.2 billion in development costs. The company has also acquired 2.7 million pounds of uranium as a strategic reserve, reinforcing its long-term positioning. NexGen is engaged in advanced discussions with U.S. utilities, underscoring its growing role in supporting North

American energy security. With a world-class asset, strategic funding moves, and increasing utility interest, NexGen offers significant long-term upside as it transitions from developer to future uranium producer.

Security Code	NXE.TSX				
Description	Uranium Exploration and Development				
Exchange	TSX				
Industry	Coal & Consumable Fuels				
Market Capitalisation (CAD)	\$3.53 Billion				
Index					
Weighting in Index					
Current Price (CAD)	\$ 6.20				
Target Price (CAD)	\$ 13.08				
Discount to Target Price	52.60%				
5 Year Hist Return	248.92%				
5 Year Hist Risk (SD)	57.27%				
Forecasts	12/2024A	12/2025F	12/2026F	12/2027F	
PE Ratio	-36.24	-38.76	-37.66	-32.64	
Dividend Yield (%)	0	0	0	0	
Revenue (CAD)	N/A	No Forecast	No Forecast	No Forecast	
EBITDA (CAD)	\$-75.98 Million	\$-75.19 Million	\$-75.61 Million	\$-77.74 Million	
Net Debt (CAD)	\$-19.78 Million	\$-257 Million	\$46 Million	\$67 Million	
\$ 9.81	\$ 11.45	\$ 13.08	\$ 14.72	\$ 16.35	
Strong Buy	Buy	Hold	Sell	Strong Sell	
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Source: Iress

Financials show ongoing losses (EBITDA around -C\$75M annually), and the company is expected to shift from a net cash position of C\$19.78M in 2024 to C\$67M in net debt by 2027 as development costs ramp up. That said, the stock trades at C\$6.20, offering a 52.6% discount to its C\$13.08 target price and has returned nearly 249% over five years.


While NexGen is rated a Strong Buy according to our methodology due to its long-term potential and strategic importance in uranium supply, investors should tread carefully as it's still speculative, with no near-term cash flow and high execution risk. Best suited for those with patience and a higher risk tolerance.

enCore Energy Corp. (NASDAQ: EU) – Small Cap Uranium Producer

enCore Energy is a U.S.-based uranium producer focused on In-Situ Recovery (ISR), a low-cost, environmentally friendly extraction method. With two fully licensed ISR facilities in Texas, Alta Mesa and Rosita, enCore is one of the few American uranium companies already in production. In 2025, the company has delivered around 290,000 pounds of uranium under utility contracts, with more deliveries on the way.

After restarting production at Alta Mesa which has been idle since 2013, enCore has shown it's not just a developer, but an operator with near-term cash flow. Its scalable ISR operations and focus on domestic supply make it a key player in the U.S. uranium space, especially as energy security becomes a national priority.

While smaller than major global producers, enCore offers investors a compelling growth story with real production, real contracts, and room to scale.

Security Code	Encore Energy Corp.		
Description	Uranium exploration		
Exchange	CAD		
Industry	Coal & Consumable Fuels		
Market Capitalisation (CAD)	\$335.49 Million		
Index			
Weighting in Index			
Current Price (CAD)	\$	1.80	
Target Price (CAD)	\$	4.50	
Discount to Target Price	60.00%		
5 Year Hist Return	252.94%		
5 Year Hist Risk (SD)	92.26%		

Forecasts	12/2024A	12/2025F	12/2026F	12/2027F
PE Ratio	-5.14	-36	7.39	2.6
Dividend Yield (%)	0	0	0	0
Revenue (CAD)	\$84.007 Million	\$84.07 Million	\$190 Million	\$277 Million
EBITDA (CAD)	\$-90.44 Million	\$12.92 Million	\$89.41 Million	\$140 Million
Net Debt (CAD)	\$-56.98 Million	\$-50.53 Million	\$-186 Million	\$-269 Million
\$ 3.38	\$ 3.94	\$ 4.50	\$ 5.06	\$ 5.63
Strong Buy	Buy	Hold	Sell	Strong Sell

Source: Iress

enCore Energy Corp presents a strong growth trajectory, driven by its ramp-up in uranium production through In-Situ Recovery (ISR) operations. Revenue is forecasted to grow significantly from C\$84 million in 2024 to C\$277 million by 2027, while EBITDA is expected to improve from a loss of C\$90.44 million to a positive C\$140 million, highlighting strong operational momentum.

Financially, the company is maintaining a robust position, with net cash increasing from C\$56.98 million in 2024 to C\$269 million by 2027, supporting future expansion and reducing financial risk.


At a current price of C\$1.80 and a target price of C\$4.50, enCore trades at a 60% discount, offering meaningful upside potential. While the company remains a small-cap stock with a market cap of C\$335 million and a high 5-year volatility of 92.26%, its growing production base and strong balance sheet position it well for long-term gains.

According to our methodology, enCore Energy is rated a 'Strong Buy', though investors should be aware of the higher risk typically associated with early-stage, small-cap companies.

NuScale Power Corporation (NYSE: SMR) – SMR Technology Innovator

NuScale Power Corp is at the forefront of developing Small Modular Reactors (SMRs), aiming to offer a scalable and safer alternative to traditional nuclear reactors. Their flagship design, the VOYGR SMR, has achieved a significant milestone by becoming the first and only SMR to receive design certification from the U.S. Nuclear Regulatory Commission (NRC) . This certification underscores NuScale's commitment to advancing nuclear innovation. Internationally, NuScale has garnered attention, notably with Ghana signing an agreement to deploy a VOYGR-12 SMR as part of its inaugural nuclear power initiative . This move highlights the global interest in modular and scalable nuclear solutions, especially in regions seeking to enhance their energy infrastructure.

However, NuScale has faced challenges. The cancellation of a U.S.-based deployment, specifically the Carbon Free Power Project in Idaho, due to rising costs, was a setback. Despite this, the company continues to advance its technology and explore global opportunities, demonstrating resilience and adaptability in a complex energy landscape.

Security Code	SMR.NYS		
Description	Small Modular Reactor Tech		
Exchange	NYSE		
Industry	Heavy Electrical Equipment		
Market Capitalisation (USD)	\$1,814 Billion		
Index			
Weighting in Index			
Current Price (USD)	\$	13.64	
Target Price (USD)	\$	23.82	
Discount to Target Price	42.74%		
5 Year Hist Return	36.40%		
5 Year Hist Risk (SD)	82.71%		

Forecasts	12/2024A	12/2025F	12/2026F	12/2027F
PE Ratio	-9.28	-23.67	-28.28	-54.16
Dividend Yield (%)	0	0	0	0
Revenue (USD)	\$37.05 Million	\$53.50 Million	\$178 Million	\$402 Million
EBITDA (USD)	\$-137 Million	\$-152 Million	\$-133 Million	\$-91.99 Million
Net Debt (USD)	\$-447 Million	\$-271 Million	\$-290 Million	\$-197 Million
\$ 17.87	\$ 20.84	\$ 23.82	\$ 26.80	\$ 29.78
Strong Buy	Buy	Hold	Sell	Strong Sell
↑				

Source: Iress

Revenue is projected to grow meaningfully from \$37.05 million in 2024 to \$402 million by 2027, reflecting increased international interest and momentum in deploying clean, modular nuclear solutions.

Despite revenue growth, NuScale remains in the development stage with negative earnings. EBITDA is forecasted to improve from a loss of \$152 million in 2025 to \$91.99 million by 2027, pointing to better operating efficiency as the business scales. Net debt is expected to narrow from \$447 million in 2024 to \$197 million in 2027, indicating improving capital management as projects advance.

At a current share price of \$13.64 and a target of \$23.82, NuScale trades at a 42.74% discount, highlighting upside potential as the company gains commercial traction. However, with no near-term profitability, a negative P/E ratio, and elevated volatility (82.71% 5-year standard deviation), NuScale carries higher speculative risk.

According to our methodology, NuScale Power is rated a 'Strong Buy', offering unique exposure to next-generation nuclear energy which is best suited for long-term investors who can tolerate short-term uncertainty in exchange for transformational upside.

Conclusion:

Together, Cameco, enCore Energy, NexGen, and NuScale represent a strong cross-section of the uranium and nuclear sector, ranging from established producers to next-generation innovators. As global energy demand continues to climb rapidly, driven by AI, data centers, and other tech advancements, the need for scalable, low-carbon solutions is becoming critical. Yet despite this rising demand, the uranium sector remains broadly undervalued. With strong fundamentals, growing policy support, and a key role in the future energy mix, these companies and the sector as a whole may be well-positioned for significant re-rating in the years ahead.

Upcoming Dividends: 23rd April to 23rd 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
SCOTTTECH	SCT	05-May-25	06-May-25	3cps	21-May-25

Source: Iress

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