

# Yovich & Co. Weekly Market Update

7<sup>th</sup> July 2025

## Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 27 <sup>th</sup> June	12583.59	8743.65	3424.23	8798.91	43819.27	20273.46	0.9275	0.6057	3.25%
Week Close 04 <sup>th</sup> July	12766.60	8841.89	3472.32	8822.91	44828.53	20601.10	0.9247	0.6060	3.25%
Change	1.45%	1.12%	1.40%	0.27%	2.30%	1.62%	-0.30%	0.05%	0.00%

The NZX50 Index rose 1.45% over the week ending 4th July, driven by strong gains across several key sectors. Leading the rally was Ryman Healthcare and listed property stocks, which also contributed significantly to the index's performance, with Vital Healthcare Property Trust and Kiwi Property Group both recording solid gains.

Across the Tasman, the All Ords gained 1.12% for the week. Most sectors saw positive momentum, led by consumer staples, as expectations firmed that the Reserve Bank of Australia may cut interest rates at its upcoming meeting. The OIS market is currently pricing in a 97% probability of a 25-basis point cut, which would bring the cash rate down to 3.6%. Wesfarmers, Woolworths, and Coles all contributed to sector strength.

In Asia, the Shanghai Composite Index rose 1.4% despite early-week volatility stemming from renewed tariff threats by U.S. President Donald Trump, ahead of the July 9 deadline. Market sentiment turned more positive later in the week, lifting the index into positive territory.

European markets were more subdued. The FTSE 100 edged up 0.27%, but U.K. equities and bond markets experienced volatility following political uncertainty. Prime Minister Keir Starmer's failure to fully endorse Finance Minister Rachel Reeves after a welfare policy reversal sparked investor unease. Meanwhile, continental European banks were in focus after an exceptional first half, the Stoxx 600 Banks Index is up 29% year-to-date, marking the sector's best performance since 1997, according to FactSet.

In the U.S., equities extended their strong run. Wall Street reached fresh record highs on Thursday, with investor sentiment buoyed by robust economic data and continued enthusiasm for tech. Nvidia surged, edging closer to a \$4 trillion valuation, helping push the Nasdaq up 1.62% and the Dow Jones Industrial Average up 2.3% for the week. A better-than-expected U.S. jobs report further fuelled optimism: unemployment fell to 4.1% from 4.2%, average hourly earnings rose 0.2%, and nonfarm payrolls increased by 147,000, all exceeding analyst forecasts.

The biggest movers of the week ending 4 <sup>th</sup> July 2025			
Up		Down	
Ryman Healthcare	6.36%	Channel Infrastructure NZ	-1.36%
Kiwi Property Group	6.25%	Tourism Holdings	-1.35%
Oceania Healthcare	6.06%	Scales Corporation	-1.04%
Vital Healthcare Property Trust	5.21%	Westpac Bank	-1.01%
Heartland Group	5.19%	Briscoe Group	-0.93%

Source: Iress

## Investment News

### Smartpay Holding (SPY.NZ)

Smartpay Holdings has entered into a Scheme Implementation Agreement under which U.S.-based payments firm Shift4 will acquire all shares in Smartpay for NZ\$1.20 per share—a 46.5% premium to the 90-day trading average. The deal values Smartpay at approximately NZ\$296 million and represents a ~14.2x multiple on forecast FY25 EBITDA. The Smartpay Board unanimously recommends the offer, subject to the Independent Adviser confirming the valuation range and no superior proposal emerging. A shareholder vote is expected in Q3 2025, with implementation anticipated in Q4.

**Current Share Price:** \$1.12, **Consensus Target Price:** \$1.08, **Forecasted Gross Dividend Yield:** 2.30%, **Indicative Takeover Offer Price:** \$1.20.

### Skellerup Limited (SLK.NZ)

Skellerup has confirmed that recent U.S. tariff developments, including a new trade deal with Vietnam, will not impact its FY25 profit guidance of \$52–\$56 million. With 35% of its revenue tied to the U.S., the company continues to mitigate future cost impacts from tariffs—up to 30%—through pricing strategies, cost controls, and expanding local manufacturing. CEO Graham Leaming noted improved clarity around tariffs and steady progress in managing their effects, reinforcing confidence in Skellerup's resilient global operations.

**Current Share Price:** \$4.78, **Consensus Target Price:** \$5.40 **Forecasted Gross Dividend Yield:** 6.10%.

### Tourism Holdings (THL.NZ)

Tourism Holdings Limited has provided updated FY25 guidance, expecting its underlying net profit after tax (NPAT) to be at the lower end of analyst expectations (\$27.0M–\$34.4M), reflecting ongoing challenges in global RV sales and reduced manufacturing volumes in Australia and New Zealand. While FY25 results face pressure, THL.nz enters FY26 with a solid rentals forward book, showing approximately 25% growth in New Zealand and Australia and signs of recovery in the US market after an initial post-Liberation Day decline. The company is assessing a potential goodwill impairment of NZ\$36 million related to its US business due to international travel uncertainty. For investors, this signals that THL.nz is navigating a low point in the cycle but is actively pursuing long-term value initiatives, with early signs of operational momentum heading into FY26.

**Current Share Price:** \$2.16, **Consensus Target Price:** \$2.17, **Forecasted Gross Dividend Yield:** 2.30%, **Non-binding Takeover Offer Price:** \$2.30.

### Infratil (IFT.NZ)

Infratil's latest independent valuation as of 30 June 2025 shows a A\$148 million increase in its investment in CDC Data Centres over the past quarter, driven by the completion of a February 2025 transaction increasing Infratil's stake from 48.17% to 49.76%. Despite a slight 1% decrease in CDC's total assessed equity value (A\$13.56 billion), Infratil's share is now valued at a midpoint of A\$6.75 billion. CDC continues to expand, with operational capacity growing by 54MW in Auckland and under-construction capacity rising to 453MW across Melbourne, Canberra, and Sydney. The valuation methodology has shifted to a discounted cash flow (DCF) approach, highlighting CDC's long-term cash-generating potential. For investors, this signals strong confidence from Infratil in CDC's outlook, stable risk assessment despite rising interest rates, and an active growth pipeline backed by a planned A\$250 million capital commitment over the next 12 months — all pointing to continued long-term value creation.

**Current Share Price:** \$10.71, **Consensus Target Price:** \$12.75, **Forecasted Gross Dividend Yield:** 2.0%.

### Contact Energy (CEN.NZ)

Contact Energy has signed a seven-year gas supply agreement with Greymouth Gas New Zealand Ltd, starting 1 October 2025 and extendable by three years, to supply up to 7PJ of gas annually. This deal enhances Contact's gas supply diversification, reducing reliance on a single field and supporting electricity generation during peak demand, particularly at Stratford, while maintaining a 98% renewable generation profile in normal hydrology years. For investors, the agreement reflects Contact's balanced approach to transition—ensuring energy security and reliability for industrial customers while continuing its \$2 billion investment in renewable infrastructure and reaffirming its goal to achieve net zero generation by 2035.

**Current Share Price:** \$10.71, **Consensus Target Price:** \$12.75, **Forecasted Gross Dividend Yield:** 2.0%.

### Manawa Energy (MNW.NZ)

The proposed scheme of arrangement under which Contact Energy Limited (Contact) will acquire 100% of Manawa Energy Limited (Manawa) (the Scheme) has been approved by the High Court. The final steps in the Scheme process are now underway. Provided the remaining customary conditions (including no material adverse changes and no 'prescribed occurrences' affecting Contact or Manawa) are satisfied or waived, implementation of the Scheme will occur on 11 July 2025. The final day of trading MNW.nz will be Monday, 7 July 2025, with trading in MNW.nz equity securities being suspended at close of business Monday 7 July 2025.

### Upcoming Dividends: 8<sup>th</sup> July to 8<sup>th</sup> August.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
Mainfreight	MFT	10-Jul-25	11-Jul-25	120.83cps	18-Jul-25
Turners Automotive Group	TRA	11-Jul-25	12-Jul-25	12.5cps	29-Jul-25
Bankers Investment Trust	BIT	24-Jul-25	25-Jul-25	1.54cps	29-Aug-25
Henderson Far East Income Limited	HFL	24-Jul-25	25-Jul-25	14.07cps	29-Aug-25

Source: Iress

For more information and to stay updated subscribe to our newsletter and consult with your Financial Adviser to tailor your investment strategy.