

Yovich & Co. Weekly Market Update

22th September 2025

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 12 th September	13227.90	9128.65	3870.60	9283.29	45834.22	22141.10	0.8956	0.5956	3.00%
Week Close 19 th September	13231.66	9061.24	3820.09	9216.67	46315.27	22631.48	0.8883	0.5855	3.00%
Change	0.03%	-0.74%	-1.30%	-0.72%	1.05%	2.21%	-0.82%	-1.70%	0.00%

The NZX 50 closed the week virtually unchanged, edging up just 0.03% to 13,231.66. Gains earlier in the week were wiped out following Thursday's weaker-than-expected GDP data. The economy contracted 0.9% in the June quarter, well below market expectations of a 0.3%-0.4% decline. Markets are now pricing in the likelihood of a 50-bps cut to the OCR in October, with expectations for an endpoint around 2.25%.

The All Ords slipped 0.74% to 9,061.24. Resources and energy helped cushion declines, but the collapse of the Santos takeover deal weighed on markets. Labour market data showed unemployment steady at 4.2% in August, though this was largely due to a sharp fall in the labour force, which shrank by more than 22,000 people as some stopped looking for work. Without that drop, the unemployment rate would have risen given the decline in employment. The lack of job creation is troubling, particularly against the backdrop of 1.6% annual population growth to March, according to ABS data.

Chinese equities retreated, with the Shanghai Composite down 1.30% to 3,820.09. Sentiment remained fragile as investors weighed policy signals and weakness in the tech and property sectors. Across the region, Asian markets delivered another mixed performance, reflecting caution after the U.S. Federal Reserve's slightly hawkish-leaning policy decision.

In the U.K., the FTSE 100 fell 0.72% to 9,216.67 after the Bank of England left rates on hold at 4% and slowed the pace of quantitative tightening, an outcome that was widely expected. Policymakers flagged that inflation remains too elevated to justify further cuts in borrowing costs.

U.S. equities advanced, with the Dow up 1.05% and the Nasdaq up 2.21% after the Federal Reserve delivered its first rate cut of 2025, trimming by 25 bps. The Fed signalled the possibility of two additional cuts later this year. While tariffs are beginning to feed through to consumer prices, Chair Powell reiterated that the most likely scenario is a one-time upward shift in prices rather than a sustained inflationary effect.

The biggest movers of the week ending 19 September 2025			
Up		Down	
Freightways	9.48%	Briscoe Group	-7.39%
Channel Infrastructure NZ	7.36%	Mercury NZ	-6.21%
Mainfreight	3.52%	The a2 Milk Company	-5.60%
Fletcher Building	3.29%	Port of Tauranga	-4.89%
Summerset Group	3.04%	Chorus	-4.65%

Source: Iress

Investment News

Goodman Property (GMT.NZ)

On 29 May 2025 Goodman Property Trust announced a new open-ended property fund to hold the \$2.1 billion Highbrook Business Park, with GMT (NZ) retaining a 72% stake, a global investment manager holding 12%, and Goodman Group (Australia) 16%. The transaction delivers \$1.19 billion in cash to GMT, enabling debt reduction, new investment capacity, and lowering look-through gearing by around 10%. By recycling capital into higher-return developments and securing ongoing management fee revenue, GMT strengthens its funds management platform while avoiding equity issuance at a discount. Independent directors confirmed the deal is in the best interests of unitholders, with CEO James Spence noting it positions GMT for its next phase of growth. GMT is now pleased to confirm that all conditions have now been satisfied for the establishment of the new Highbrook Fund. Settlement of the transaction is expected to complete 30 September 2025.

Current Share Price: \$2.11, **Consensus Target Price:** \$2.19, **Forecasted Gross Dividend Yield:** 3.20%.

Infratil Limited (IFT.NZ)

Infratil used its 2025 Investor Day to highlight strong portfolio momentum and confidence in growth across digital infrastructure, renewables, healthcare, and airports. With a market cap of NZ\$12.2bn and a long-term return target of 11%–15% p.a., the company reported progress including increased CDC ownership, inclusion in the ASX200, the Manawa-Contact merger, and the planned divestment of RetireAustralia. Management outlined a refined strategy focused on fewer, scaled platforms and NZ\$1bn of divestments to fund reinvestment into higher-growth assets. Future growth is expected to be driven by surging AI-led demand for data centres through CDC, tax credit certainty supporting Longroad Energy's U.S. renewables pipeline, scaling of Gurin Energy in Asia, and Morrison's identification of new emerging sectors. With clear funding pathways through FY2027 and flexibility to shift toward attractive opportunities, Infratil is positioning its portfolio to grow to NZ\$20bn over the next five years while continuing to deliver sustainable returns.

Current Share Price: \$12.34, **Consensus Target Price:** \$13.01, **Forecasted Gross Dividend Yield:** 1.70%.

Santos Limited (STO.NZ)

Santos announced that the XRG Consortium, led by Abu Dhabi National Oil Company, has withdrawn its indicative US\$5.6 per share takeover proposal after failing to agree on acceptable terms regarding risk allocation, regulatory approvals, and domestic gas commitments. The withdrawal triggered a sharp share price drop of around 11–13%, erasing the takeover premium that had supported the stock. While the consortium reaffirmed confidence in Santos' business, the Board cited concerns over delays and deal certainty. Santos reiterated its strong outlook, with major projects Barossa and Pikka Phase 1 set to lift production by about 30% by 2027, strengthening free cash flow and supporting shareholder returns under its disciplined capital allocation framework.

Current Share Price: \$6.77, **Consensus Target Price:** \$8.20, **Forecasted Gross Dividend Yield:** 3.40%.

Nvidia (NVDA.NAS)

Nvidia is investing \$5 billion in Intel common stock at US\$23.28 per share, securing roughly a 4% ownership stake, in a strategic partnership aimed at co-developing multiple generations of chips for both data centers and PCs. Under the deal, Intel will design custom x86 CPUs for Nvidia's AI infrastructure, and build x86 SoCs (system on a chip) integrating Nvidia's RTX GPU chiplets for PCs; the two firms will interconnect these components using Nvidia's NVLink tech. Following the announcement, Intel's share price surged about 23%, marking its largest one-day rise in decades, while Nvidia's shares rose modestly circa 3% to 4%. Analysts view the deal as a potential pivot point for Intel's turnaround helping to justify its massive upcoming manufacturing investment (notably its "14A" node planned for 2027), while raising competitive pressure on players like AMD and foundry leaders such as TSMC.

Current Share Price: \$176.67, **Consensus Target Price:** \$211.93.

Upcoming Dividends: 23rd September to 23rd October.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
Genesis Energy	GNE	24-Sept-25	25-Sept-25	9.96cps	10-Oct-25
Colonial Motor Company	CMO	25-Sept-25	26-Sept-25	27.78cps	6-Oct-25
Delegat Group	DGL	25-Sep-25	26-Sept-25	27.78cps	10-Oct-25
F&C Investment Trust	FCT	2-Oct-25	3-Oct-25	8.76cps	3-Nov-25
Skellerup Holdings	SKL	2-Oct-25	3-Oct-25	19.71cps	17-Oct-25
Vulcan Steel	VSL	8-Oct-25	9-Oct-25	5.48cps	22-Oct-25
Foley Wines	FWL	9-Oct-25	10-Oct-25	2.78cps	24-Oct-25
The Bankers Investment Trust	BIT	23-Oct-25	24-Oct-25	1.58cps	28-Nov-25

Source: Iress

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