

# Yovich & Co. Weekly Market Update

29<sup>th</sup> September 2025

## Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 19 <sup>th</sup> September	13231.66	9061.24	3820.09	9216.67	46315.27	22631.48	0.8883	0.5855	3.00%
Week Close 26 <sup>th</sup> September	13111.73	9079.21	3828.11	9284.83	46247.29	22484.07	0.8818	0.5774	3.00%
Change	-0.91%	0.20%	0.21%	0.74%	-0.15%	-0.65%	-0.73%	-1.38%	0.00%

The NZX 50 fell 0.91%, closing the week at 13,111.73, dragged down by major index contributors. Among the weakest performers were Fisher & Paykel Healthcare, Mainfreight, and Summerset, whose declines weighed heavily on the benchmark. By contrast, Fonterra bucked the trend, posting gains and offering some cushioning to the slide.

Australia’s All Ords ended the week at 9,079.21 up 0.20%. This increase was driven by banks and mining which helped offset declines in healthcare sectors due to Trump announcing up to a 100% tariff on pharmaceutical products. The RBA has an upcoming rate announcement tomorrow where markets and economists widely expect the cash rate to hold at 3.60%, while the Board waits for Q3 inflation before any next move, which many still pencil in for later this year.

The Shanghai Composite closed up 0.21% to 3,828.11, as investors remained cautious amid persistent policy watchfulness and headwinds in China’s property and technology sectors. While broader Asian markets posted a mixed tone, China’s onshore equity markets have been among this year’s standout performers, outpacing many developed markets.

In the U.K., the FTSE 100 closed the week at 9,284.83, up 0.74 %, outperforming amid strong global equity sentiment and relatively attractive valuation levels in light of stable macro trends. The rally persisted even after fresh U.S. tariff warnings, as European markets shrugged off the political risk. Fixed income and currency markets remain sensitive to macro surprises and political developments.

U.S. equities delivered a mixed performance as the Dow Jones slipped 0.15% to 46,247.29, while the Nasdaq Composite fell 0.65% to 22,484.07. Inflation data came in largely as expected, the PCE (Personal Consumption Expenditures) price index rose 2.7% year over year in August, up from 2.6% in July, while the core PCE index excluding food and energy rose 0.2% on the month and held steady at 2.9% annually. These figures reinforced expectations that the Federal Reserve will continue lowering interest rates in the months ahead. Still, sentiment remained cautious, with U.S. stocks extending losses for a third straight session as investors weighed an unexpected drop in jobless claims and a sharp upward revision to GDP growth, both of which complicated the outlook for monetary easing.

The biggest movers of the week ending 26 September 2025				
Up			Down	
KMD Brands	12.50%		Serko	-6.16%
Fonterra Shareholders' Fund	9.25%		Fisher & Paykel Healthcare	-4.75%
Heartland Group	6.28%		Gentrack Group	-4.59%
Port of Tauranga	4.45%		Summerset Group	-4.47%
Vector	3.53%		Mainfreight	-2.93%

Source: Iress

## Investment News

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

KMD reported FY25 sales of \$989m (+1%) but swung to a statutory net loss of \$93.6m, with underlying EBITDA down 65% to \$17.7m as discounting across Kathmandu and Rip Curl and an impairment at Oboz weighed on margins. No dividend was declared, though management noted strong online growth (+9–18% across brands) and a positive start to FY26, with August sales up 10.5% and Kathmandu same-store sales up 22%. Supporters see early trading momentum, wholesale improvements, and cost savings from the \$25m reset plan as reasons to believe the “Next Level” strategy can restore profitability, while skeptics warn that reliance on discounting, consumer headwinds, and execution risk around Oboz and U.S. tariffs could prolong losses and limit near-term investor appeal.

**Current Share Price:** \$0.27, **Consensus Target Price:** \$0.33.

### Fonterra Co-operative Group (FCG.NZ / FSF.NZ)

Fonterra Co-operative Group reported strong FY25 results, with revenue up 15% to NZ\$26 billion and total cash returns to shareholders rising 30.6% to NZ\$16.2 billion. Operating profit climbed 13% to NZ\$1.7 billion, while profit after tax eased 4% to NZ\$1.1 billion due to higher tax expenses, though adjusted earnings per share held steady at 71 cents. The Co-op declared a fully imputed dividend of 57 cents per share and delivered a record Farmgate Milk Price of \$10.16/kgMS, returning \$15.3 billion to farmers. Looking ahead, Fonterra has agreed to divest its global Consumer and related businesses to Lactalis for \$4.22 billion, with plans for a \$2.00 per share capital return, subject to approvals. The Co-op is forecasting FY26 earnings of 45–65 cents per share and a Farmgate Milk Price range of \$9.00–\$11.00/kgMS, while investing up to \$1 billion over the next four years in Ingredients and Foodservice growth projects.

**Current Share Price:** \$7.91, **Consensus Target Price:** \$8.39, **Forecasted Gross Dividend Yield:** 6.40%.

### Ryman Healthcare (RYM.NZ)

Ryman Healthcare will dual list on the ASX from 1 October under ticker RYM, while keeping its primary listing on the NZX. The ASX Foreign Exempt Listing gives the company lighter compliance requirements but opens the door to a larger pool of Australian and global investors. For shareholders, this can be positive because increased liquidity and a broader investor base often support stronger valuation and access to capital. It also reinforces Ryman’s growth ambitions in Australia, where it already operates nine villages. However, investors should also weigh the risks, dual listings add costs, and exposure to two markets may introduce more share price volatility. Overall, it’s a strategically sound move that could strengthen long-term investor value, provided Ryman executes well on its Australian growth strategy.

**Current Share Price:** \$2.50, **Consensus Target Price:** \$2.83.

### New Zealand King Salmon Investments (NZK.NZ / NZK.ASX)

New Zealand King Salmon posted a 1HY25 net loss of \$20.8m compared with a \$6.0m profit in the prior comparable period, with results dragged by a \$22.5m fair-value write-down on biological assets. Pro-forma EBITDA was \$5.7m versus \$13.5m in the prior half, on lower harvest volumes (-17% YoY) and revenues down 7% to \$94.5m. Management pointed to challenging biological performance, subdued feed outs, and elevated mortality as reasons for the reduced FY25 harvest, though noted that feed and growth rates are now back on track with biomass rebuilding for FY26–27. Looking forward, NZK is progressing initiatives such as a new summer feed diet, selective breeding for thermotolerance, and a pilot recirculated aquaculture system to improve smoltification (freshwater-to-seawater transition). Growth plans also remain on track, including the Blue Endeavour open-ocean pilot farm, delivery of the *Whekenui* service vessel, and acquisition of the Cloudy Bay site to support future processing. Bulls see upside in the long-term aquaculture pipeline, biomass recovery, and structural demand for premium salmon, while bears remain cautious given near-term fish health risks, volatile biological performance, and execution risk on new projects.

**Current Share Price:** \$0.21, **Consensus Target Price:** \$0.28.

### Hallenstein Glasson Holdings (HLG.NZ)

Hallenstein Glasson delivered a strong FY25 result with Group sales up 8.1% to \$470.7m and net profit after tax rising 14.4% to \$39.5m, supported by stable gross margins at 59.3% despite FX headwinds. Australia remained the key growth driver, with sales up 15.3% and NPBT of \$34.2m, while New Zealand sales grew modestly at 1.7% but delivered a 27% lift in profit. Hallensteins brand sales were flat at \$107.3m, but management noted improving momentum in the second half. Digital continued to expand, with online sales up 6.7% and now 18% of Group revenue. The Board declared a final dividend of 37.21cps, bringing the full-year payout to 65.56.0cps, underpinned by a strong balance sheet. Bulls argue that consistent margin delivery, strong growth in Australia, and a healthy dividend highlight the resilience of the business, while bears remain cautious about flat Hallensteins brand sales, cost-of-living pressures in NZ, and the reliance on store rollout in Australia to sustain growth.

**Current Share Price:** \$8.95, **Consensus Target Price:** \$9.95, **Forecasted Gross Dividend Yield:** 8.10%.

### Upcoming Dividends: 30<sup>th</sup> September to 30<sup>th</sup> October.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
Fonterra Co-operative Group	FCG	1-Oct-25	2-Oct-25	48.61cps	15-Oct-25
Fonterra Shareholders' Fund	FSF	1-Oct-25	2-Oct-25	43.80cps	15-Oct-25
F&C Investment Trust	FCT	2-Oct-25	3-Oct-25	8.80cps	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	1.59cps	28-Nov-25

Source: Iress

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