

# Yovich & Co. Weekly Market Update

6<sup>th</sup> October 2025

## Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 26 <sup>th</sup> September	13111.73	9079.21	3828.11	9284.83	46247.29	22484.07	0.8818	0.5774	3.00%
Week Close 03 <sup>rd</sup> October	13514.09	9288.08	3882.78	9491.25	46758.28	22780.51	0.8831	0.5832	3.00%
Change	3.07%	2.30%	1.43%	2.22%	1.10%	1.32%	0.15%	1.00%	0.00%

The NZX 50 recorded its strongest week of the year, rising 3.07% to close at 13,514.09, with gains broadly spread across the market rather than concentrated in a few stocks. Sentiment was buoyed by steady U.S. economic data and expectations of interest-rate cuts, as only three of the index’s 50 constituents finished the week lower. Attention now turns to Wednesday’s Official Cash Rate (OCR) announcement, where most economists expect a 25-basis-point cut, while some are forecasting an even larger 50-basis-point move following weaker-than-expected GDP data. However, the latest labour-market figures from Stats NZ continue to paint a more sombre picture. As of 2025, the number of filled jobs (paid positions) stands at 2,327,918, a decline of 17,442 compared with the same time last year.

Australia’s All Ords ended the week at 9,288.10, up 2.30% for the week. The index was up primarily due to technology and healthcare, leaving the market just shy of record levels and reflecting resilience despite global policy noise.

The Shanghai Composite closed at 3,882.78 ahead of the Golden Week break, led by a strong rally in technology stocks on renewed AI enthusiasm. Semiconductor giant SMIC jumped nearly 13% after OpenAI unveiled Sora 2, its latest video-generation model, while Alibaba gained 3.5%.

In the U.K., the FTSE 100 rose 2.22% for the week to close at 9,491.25, briefly touching a fresh intraday record. Gains were led by financials and miners as global risk appetite improved and commodity prices steadied. Standouts included AstraZeneca up almost 14% and GSK up 7%, which together did much of the heavy lifting for the index.

Wall Street’s three major indexes notched record closing highs Thursday, buoyed by gains in the technology sector, even as investors remained cautious amid the second day of a U.S. government shutdown. The private labour-market indicators were mixed, with U.S. employers reporting a sharp drop in planned layoffs for September, but cumulative hiring intentions through the year have fallen to their lowest level since 2009. This data followed a weaker-than-expected ADP national employment report for the private sector.

The biggest movers of the week ending 3 October 2025				
Up			Down	
SKYCITY Entertainment Group	9.16%		Gentrack Group	-3.81%
Investore Property	9.05%		Vulcan Steel	-2.07%
Channel Infrastructure NZ	8.27%		Mainfreight	-0.48%
Fletcher Building	7.74%			
Hallenstein Glasson	7.26%			

Source: Iress

## Investment News

### Scales Corporation (SCL.NZ)

Scales Corporation is expanding its Global Proteins business by buying the rest of Meateor Australia and Fayman International and lifting its stake in ANZ Exports to 85%. The A\$91.05m purchase will be paid with cash, some new shares, and instalments over five years, and the company expects to finish the year with about \$57m of net debt. Management says Meateor's Melbourne plant is now at full production and that Fayman and ANZ Exports are benefiting from strong global beef demand. With these deals, Scales has raised its 2025 profit outlook to \$51–\$56m (net profit after tax) and increased its 2027 earnings target for Global Proteins to \$85m from \$70m (EBITDA - earnings before interest, tax, depreciation and amortisation). Supporters see a clearer single-brand strategy, more exposure to resilient protein markets, and higher guidance; sceptics point to the higher debt, integration challenges, and reliance on the ups and downs of global beef prices.

**Current Share Price:** \$5.60, **Consensus Target Price:** \$5.45. **Forecasted Gross Dividend Yield:** 4.90%.

### Synlait Milk (SML.NZ / SM1.AX)

Synlait's headline result was weak, but the underlying business did a little better than expected. The big move is a deal to sell its North Island sites to Abbott for about NZ\$307m, aiming to close by April 2026 if regulators approve; major shareholder Bright has signalled support. Those sites have been losing money, so the sale should cut debt and let Synlait focus on its Canterbury operations (including Dairyworks). For FY25, underlying earnings improved but the company still recorded a net loss, helped by strong sales of higher-value ingredients and a better Dairyworks result. There's no FY26 outlook yet. Management plans to reset the strategy by March 2026 and is preparing for lower a2 Milk English-label volumes from FY27 while deepening work on the China label ahead of re-approval.

**Current Share Price:** \$0.83, **Consensus Target Price:** \$0.51, **Forecasted Gross Dividend Yield:** 0.00%

### Restaurant Brands (RBD.NZ / RBD.AX)

Restaurant Brands says its majority owner, Finaccess (who already owns 75%), plans to buy all the remaining shares for NZ\$5.05 each in cash and says it won't raise that price. The deal still needs Overseas Investment Office approval. ACC (who owns about 4.7%) has agreed to accept the offer once it's officially made. If Finaccess gets enough shares, it intends to take the company private, buy any hold-outs and delist from the NZX and ASX. The board will send investors a Target Company Statement and an independent report after the formal offer arrives; for now, shareholders don't need to do anything until those documents are out.

**Current Share Price:** \$4.90, **Consensus Target Price:** \$3.80. **Forecasted Gross Dividend Yield:** 0.00%

### The Warehouse Group (WHS.NZ)

The Warehouse Group's FY25 sales rose 1.6% to \$3.1b, with small gains at The Warehouse, up 1.4% and Noel Leeming up 3.3% offset by a 2.5% decline at Warehouse Stationery. Profitability weakened, the gross margin fell 1.4 percentage points to 32.2% due to price resets, clearance activity, and a shift toward lower-margin categories; operating profit slid to \$1.3m (from \$28.9m) and the company recorded a net loss of \$2.8, which is an improvement on last year's \$54.2m loss. No dividend was declared. New CEO Mark Stirton pointed to tighter cost control (operating costs as a share of sales down 0.4 percentage points, capex cut to \$12.4m) and a partnership with Tata Consultancy Services expected to save \$40m over five years. Optimists see signs of a turn, with better second-half sales, improved conversion, and targeted margin fixes in toys, apparel, and health & beauty, while sceptics highlight the steep drop in profit, ongoing cost pressures, and fragile consumer demand that could slow a sustained recovery.

**Current Share Price:** \$0.79, **Consensus Target Price:** \$0.94, **Forecasted Gross Dividend Yield:** 0.00%.

**Upcoming Dividends: 7<sup>th</sup> October to 7<sup>th</sup> November.**

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
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
Southport	SPN	31-Oct-25	3-Nov-25	28.47cps	11-Nov-25

Source: Iress

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