

# Yovich & Co. Weekly Market Update

17<sup>th</sup> November 2025

## Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 07 <sup>th</sup> November	13599.21	9031.70	3997.56	9682.57	46987.10	23004.54	0.8665	0.5629	2.50%
Week Close 14 <sup>th</sup> November	13464.46	8907.00	3990.49	9698.37	47147.48	22900.59	0.8691	0.5679	2.50%
Change	-0.99%	-1.38%	-0.18%	0.16%	0.34%	-0.45%	0.30%	0.88%	0.00%

The NZX 50 fell 0.99% for the week to 13,464.46, with Friday's decline led by utilities and healthcare, and news from Wall Street.

The All Ordinaries fell 1.38% over the week to 8,907.00, with approximately \$35 billion wiped from the Australian sharemarket as part of a broader global sell-off. In labour market news, Australia's unemployment rate edged down from 4.5% to 4.3% in October. While a stronger labour market is positive for the economy, it effectively removes any remaining possibility of an interest-rate cut when the Reserve Bank meets for its next monetary policy decision.

The Shanghai Composite edged down 0.18% for the week to 3,990.49, with sentiment across Asia remaining fragile amid ongoing tech-sector volatility and softer economic data. China's industrial production grew 4.9% year-on-year, below expectations of 5.5% and easing from 6.5% in September. Retail sales rose 2.9%, slightly above forecasts of 2.7%, though down from 3.0% the previous month. Fixed asset investment declined 1.7%, missing the anticipated 0.9% fall and extending the prior month's 0.5% drop. The unemployment rate came in at 5.1%, marginally better than the expected 5.2%. Meanwhile, house prices fell 2.2% from a year earlier, matching the pace of declines seen in September.

The FTSE 100 inched up 0.16% for the week to 9,698.37, despite a sharp decline on Friday after gilt yields surged on reports of a potential fiscal-policy U-turn, which weighed heavily on bank and property stocks. Chancellor Rachel Reeves may reconsider elements of the government's budget plans. This, in turn, raised concerns that the Bank of England could delay interest-rate cuts due to fiscal uncertainty, clouding the broader economic outlook.

Wall Street finished the week mixed, with the Dow rising 0.34% to 47,147.48 while the Nasdaq eased 0.45% to 22,900.59 as investors reassessed stretched valuations in AI-related stocks. Attention has now shifted to Nvidia's upcoming quarterly results, and caution has increased amid concerns the Federal Reserve may delay a December rate cut. Investors remain uneasy about both the uncertain pace of future rate cuts and the elevated valuations of major artificial-intelligence companies that have driven much of the U.S. market's gains in recent years.

The biggest movers of the week ending 14 November 2025				
Up			Down	
Mainfreight	15.21%		Vital Healthcare Property Trust	-11.47%
SKYCITY Entertainment Group	11.33%		Gentrack Group	-6.27%
Serko	9.75%		Scales Corporation	-6.08%
Air New Zealand	3.31%		Stride Property	-5.48%
Summerset Group	3.29%		Freightways	-5.06%

Source: Iress

## Investment News

### Mainfreight Limited (MFT.NZ)

Mainfreight reported a softer first half for FY26, with group revenue up 2.1% to \$2.61 billion but net profit down 18.5% to \$93.4 million as weaker global freight markets and higher costs weighed on margins. Operating cash flow improved to \$209.6 million (from \$191.7m), driven by stronger collections, while net debt rose to \$68.7 million. An interim dividend of 85c per share was declared, fully imputed, payable on 19 December 2025. Across segments, Transport revenue rose 7% but profit fell 20.6%, while Warehousing grew 6.7% with stable margins. Air & Ocean revenue declined 5% as reduced freight rates and the end of large project work cut profitability. Regionally, NZ and Australia showed steady trading, Europe's profit fell 32% on higher labour costs, and the Americas reported a US\$2.3 million loss amid weak U.S. transport margins. Management expects stronger results in the second half as freight volumes improve and new facilities come online, including major builds in Brisbane, Melbourne, and Christchurch. Bulls point to resilient cash generation and expanding infrastructure, while bears flag cyclical freight softness and margin pressure in North America.

**Current Share Price:** \$67.44, **Consensus Target Price:** \$72.81, **Forecasted Gross Dividend Yield:** 3.50%.

### Infratil Limited (IFT.NZ / IFT.ASX)

Infratil delivered a strong HY26 result, reporting proportionate operational EBITDAF of \$513.5 million, up 7% on HY25, driven by expanding contributions from CDC Data Centres and Longroad Energy as development projects move into operation. Net parent surplus rose to \$605.7 million, reflecting gains on the Manawa sale and higher CDC earnings. Total asset value increased to \$19.0 billion, with CDC alone now representing 41% of the portfolio following an additional 1.58% stake purchase. Longroad's operating fleet reached 3.5GW, lifting EBITDAF to US\$83m (+124%), while CDC contracted over 140MW in new data-centre capacity in the half, supporting its target to double FY25 EBITDAF by FY27. Infratil also advanced its portfolio-refinement strategy, completing over \$585m of divestments toward its \$1b target and increasing its stake in Contact Energy to 14.3%, strengthening recurring cash flow. Management reaffirmed FY26 guidance, with updated expectations of \$960–\$1,000m proportionate operational EBITDAF from continuing operations and capex of \$2.2–\$2.6b. Bulls see high-conviction growth across digital infrastructure and renewables, while bears may note elevated capex intensity and longer-dated development risk.

**Current Share Price:** \$11.80, **Consensus Target Price:** \$13.50, **Forecasted Gross Dividend Yield:** 1.80%.

### Xero Limited (XRO.ASX)

Xero delivered a strong H1 FY26 result, with revenue up 20% to \$1.19 billion and adjusted EBITDA rising 12% to \$351 million, maintaining a robust Rule of 40 score of 44.5% (a key SaaS benchmark that combines revenue growth and free-cash-flow margin to assess both growth and profitability, with anything above 40% viewed as best-in-class performance). Subscriber momentum accelerated sharply, with 176,000 net additions lifting total subscribers to 4.59 million, while ARPU increased 15% to \$49.63 on stronger payments penetration and pricing initiatives. Free cash flow surged 54% to \$321 million (a 26.9% margin), reflecting improved collections and disciplined cost control. A major milestone was the early completion of the Melio acquisition, which delivered 68% revenue growth and positions Xero to accelerate U.S. expansion as Melio's bill-pay platform rolls out to U.S. Xero customers from December 2025. Xero also advanced its AI strategy with the expansion of JAX, its AI financial "superagent," adding automated bank reconciliation, personalised insights, and conversational interfaces across email, WhatsApp, and SMS. Xero's results were well ahead on revenue, subscribers and cash generation; however, the market reacted negatively due to ongoing cost pressure (OPEX-to-revenue still 70%+), a 22% decline in operating income, and concerns about the timing and integration risk associated with the Melio acquisition. Guidance for the remainder of FY26 pointed to only modest margin improvement, disappointing investors who had expected stronger operating leverage at this stage of Xero's scale. Broader weakness across global SaaS valuations on the day also amplified the share-price decline. Bulls highlight accelerating U.S. scale, strong cash generation, and rapid AI product velocity; bears point to elevated operating expenses (OPEX-to-revenue 72.8%) and the execution risk inherent in integrating Melio while scaling into new markets.

**Current Share Price:** \$122.36, **Consensus Target Price:** \$190.78.

### Property for Industry Limited (PFI.NZ)

Property for Industry has entered into unconditional agreements to acquire 505 and 507 Mt Wellington Highway, Auckland, for a combined purchase price of \$36 million. The properties, leased to J.A. Russell Limited (to October 2031) and Johnson & Johnson (New Zealand) Limited (to August 2030), generate a combined passing rent of ~\$2.069 million and have a total area of around 13,800 sqm. Once settled, they will sit alongside PFI's existing holdings at 509 and 511 Mt Wellington Highway, giving the REIT about 3.3 hectares of contiguous industrial land on a key Auckland arterial route. CEO Simon Woodhams said the deal strengthens PFI's presence in the Mt Wellington industrial precinct and provides "attractive redevelopment potential" alongside its neighbouring sites over the longer term. Settlement is expected in December 2025.

**Current Share Price: \$2.50, Consensus Target Price: \$2.48, Forecasted Gross Dividend Yield: 4.30%.**

### Upcoming Dividends: 18<sup>th</sup> November to 18<sup>th</sup> December.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
2 Cheap Cars Group Limited	2CC	20-Nov-25	21-Nov-25	2.15cps	5-Dec-25
Infratil Limited	IFT	26-Nov-25	27-Nov-25	9cps	16-Dec-25
Hallenstein Glasson Holdings Limited	HLG	4-Dec-25	5-Dec-25	37.21cps	12-Dec-25
Mainfreight Limited	MFT	11-Dec-25	12-Dec-25	118.06cps	19-Dec-25
Seeka Limited	SEK	18-Dec-25	19-Dec-25	13.89cps	19-Jan-26

Source: Iress

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