

Yovich & Co. Weekly Market Update

11th August 2025

Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 1 st August	12729.40	8917.05	3559.95	9068.58	43588.58	20650.13	0.9139	0.5916	3.25%
Week Close 8 th August	12844.63	9076.62	3635.13	9095.73	44175.61	21450.02	0.9131	0.5957	3.25%
Change	0.91%	1.79%	2.11%	0.30%	1.35%	3.87%	-0.09%	0.69%	0.00%

Global markets ended the week higher as investors weighed softer economic data against growing expectations for central bank rate cuts. For New Zealand investors, the environment remains mixed with tariff pressures, labour market weakness, and shifting global policy settings continue to shape sentiment.

The S&P/NZX 50 Gross Index gained 0.91% to close at 12,844.63. The unemployment rate hit 5.2%, its highest since late 2020, with household pressures expected to build as fixed mortgage rates roll over from record low interest rates 2 years ago. Inflation expectations have eased, raising the likelihood of further OCR cuts before the end of the year.

In Australia, the All Ordinaries rose 1.79% as corporate earnings remained supportive. Investors are widely expecting the RBA to cut rates in August. CHC Group announced A\$3.37b of new assets under management, while QBE's earnings beat guidance.

In the United States, the Dow added 1.35% and the NASDAQ surged 3.87% to a record close, buoyed by strong tech performance and rising Fed cut expectations following weaker jobs data. Positive earnings surprises from major companies, including Disney, Eli Lilly, McDonald's, and Caterpillar, added to the upbeat sentiment despite tariff concerns. However, President Trump's broad new tariffs on over 90 nations took effect Friday.

European markets were mixed, with the FTSE 100 up 0.30%. The Bank of England cut interest rates for the fifth time in a year, aiming to offset sluggish growth and persistent food price inflation. The current official rate is 4.00%, a reduction from the cyclical high of 5.25% set in August 2023.

In Asia, the Shanghai Composite advanced 2.11% on signs of potential US-China trade talks, though Chinese manufacturing remains under pressure.

The NZD strengthened 0.69% against the USD to 0.5957, a sign that global investors are becoming more bullish in cyclical currencies like the New Zealand Dollar. The NZD slipped slightly versus the AUD by 0.09%.

The biggest movers of the week ending 8 August 2025			
Up		Down	
Chorus	5.85%	Gentrack Group	-5.07%
Spark	5.50%	Oceania Healthcare	-4.35%
Tourism Holdings	4.88%	Briscoe Group	-4.33%
KMD Brands	4.08%	NZX	-3.95%
Mainfreight	2.94%	Serko	-3.18%

Source: Iress

Investment News

Tourism Holdings (NZX:THL)

THL rejected an unsolicited takeover offer from BGH Capital, describing it as “opportunistic” and below fair value. The board stated the offer undervalued the company’s long-term potential, particularly as operations rebound post-COVID. THL also released a detailed presentation outlining its future growth drivers, including international tourism recovery, fleet optimisation, and increased digital bookings. Management reaffirmed confidence in a multi-year earnings recovery. The market largely supported the board’s position, with analysts pointing to the cyclical nature of THL’s business and the importance of timing in valuations. Shares traded slightly higher on the back of the announcement. The current price of \$2.11 is a 7.05% discount to the consensus target price of \$2.27. The forecasted yield over the next 12 months is 2.04%

Genesis Energy (NZX:GNE)

Genesis announced a 10-year strategic reserve agreement with Meridian, Mercury, and Contact Energy, centred on its Huntly power station. The arrangement aims to ensure energy security during dry years and reduce political intervention risk. Genesis also secured a standalone contract to support the economic viability of its Rankine units, extending the life of its thermal assets. Analysts viewed the move positively, as it provides greater earnings visibility and regulatory certainty. While hydro volumes remained below average in FY25, Genesis’ portfolio flexibility enabled better-than-expected performance compared to peers. Management continues to focus on firming solutions and decarbonisation. The current price of \$2.38 is a 7.23% discount to the consensus target price of \$2.56. The forecasted yield over the next 12 months is 8.25%

Infratil (NZX:IFT)

Infratil agreed to sell its 50% stake in RetireAustralia to Invesco Real Estate for approximately NZ\$328 million. The sale price implies a forecast accounting loss of NZ\$80 million versus its last carrying value. Proceeds will be available for reinvestment, with completion expected in Q4 CY2025 subject to regulatory approvals. The current price of \$12.13 is a 4.86% discount to the consensus target price of \$12.75. The forecasted yield over the next 12 months is 1.75%

REA Group (ASX:REA)

REA Group reported strong FY25 results, with revenue up 15% to A\$1.67 billion and EBITDA rising 17.5% to A\$969 million. The company increased its second-half dividend payout by 12% and signalled a higher long-term payout ratio in the absence of major acquisitions. Core growth came from higher residential listing yields, driven by pricing, depth products, and subscription increases. The companies guidance was for high single-digit operating cost growth and remains confident in achieving double-digit yield growth in FY27. Investors welcomed the results, citing REA’s dominant market position, strong digital capability, and continued advertiser demand. The current price of \$244.91 is a 2.06% discount to the consensus target price of \$250.07. The forecasted yield over the next 12 months is 0.95%

QBE Insurance (ASX:QBE)

QBE reported a strong earnings beat for the half-year and reiterated full-year guidance. While sharp rate declines could pressure margins, management is targeting offsetting factors including reserve releases, catastrophe outperformance, and capital flexibility. The insurer is also reshaping its portfolio by reducing exposure in competitive markets and focusing on broker relationships. Analysts noted its relative valuation discount and improving conviction in mid-single-digit growth. Shares gained following the announcement. The current price of \$21.42 is a 10.19% discount to the consensus target price of \$23.85. The forecasted yield over the next 12 months is 4.36%

Iluka Resources (ASX:ILU)

Iluka signed a 15-year offtake agreement with Lindian Resources, securing 6,000 tonnes per annum of rare earth concentrate. The deal strengthens Iluka's supply chain resilience and supports its ambition to become a key supplier of downstream rare earth products to global markets. With demand for rare earths growing rapidly due to electrification and defence applications, the long-term agreement is seen as a strategic win. Shares rose modestly on the announcement, reflecting increased investor confidence in Iluka's ability to lock in stable feedstock supply amid volatile commodity markets. The current price of \$6.11 is a 0.01% premium to the consensus target price of \$6.07. The forecasted yield over the next 12 months is 1.06%

Disney (NYSE:DIS)

Disney posted stronger-than-expected earnings, driven by improving profitability in its streaming business. Disney+ subscriber growth and reduced content spend lifted margins, while traditional TV continued to decline. Theme parks remained a bright spot, with solid attendance and per capita spending. The company raised its full-year profit forecast and emphasised a strategic focus on streaming scale, content efficiency, and ESPN digital monetisation. Investors welcomed the improved guidance, noting the turnaround in Disney+ as a key milestone. Shares moved higher on renewed confidence in Disney's post-pandemic earnings recovery and platform integration strategy. The current price of \$112.43 is a 12.73% discount to the consensus target price of \$128.83. The forecasted yield over the next 12 months is 0.85%

Upcoming Dividends: 12th August to 15th September.

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
Asset Plus Limited	APL	12-Aug-25	13-Aug-25	0.20cps	22-Aug-25
Argosy Property Limited	AGL	09-Aug-25	10-Aug-25	1.74.cps	24-Aug-25

Source: Iress

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