

# Yovich & Co. Weekly Market Update

20<sup>th</sup> October 2025

## Market News

	NZX 50G	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD	OCR
Previous Week 10 <sup>th</sup> October	13467.26	9264.28	3897.03	9427.47	45479.60	22204.43	0.8839	0.5722	2.50%
Week Close 17 <sup>th</sup> October	13289.21	9293.23	3839.76	9354.57	46190.61	22679.97	0.8813	0.5726	2.50%
Change	-1.32%	0.31%	-1.47%	-0.77%	1.56%	2.14%	-0.29%	0.07%	0.00%

The NZX 50 declined 1.32% for the week to 13,289.21, extending the previous week’s losses. Infratil was a notable outperformer, rising 5% after its CDC Data Centres business announced a new 40-megawatt contract to support AI infrastructure in Sydney. However, gains were offset by weakness among property companies, which weighed on the broader index.

Australia’s All Ordinaries rose 0.31% for the week to 9,293.20, remaining largely flat across five sessions. After reaching a record high on Thursday, the market slipped into negative territory on Friday as weakness in energy, technology, and banking stocks erased earlier gains. Brent crude fell around 3% over the week, weighing on energy majors, while renewed U.S - China tensions pushed gold prices to a fresh record. Gold’s market capitalisation topped \$30 Trillion for the time ever.

The Shanghai Composite slipped 1.47% for the week to 3,839.76. Sentiment stayed cautious as investors looked to the PBOC’s upcoming LPR (loan prime rate) decision amid renewed U.S.-China trade tensions; surveys pointed to no change in benchmark lending rates for the fifth consecutive month in October. The index also saw profit taking in artificial intelligence shares.

The FTSE 100 fell 0.77% for the week to 9,354.57, hitting a two-week low on Friday as weakness in oil majors, and news from the US banks weighed on the index. Bank of England Monetary Policy Committee member Megan Greene said she does not expect the BoE to continue cutting interest rates at a steady pace every three months, though she noted the rate-cutting cycle is not yet over. Financial markets now anticipate the next quarter-point reduction no earlier than March 2026.

Wall Street ended the week on a strong note as concerns over the banking sector subsided, and trade tensions eased. The Dow Jones Industrial Average advanced 1.56% to 46,190.61, while the NASDAQ climbed 2.14% to 22,679.97. The rebound was driven by reassuring bank earnings that showed credit quality remains strong across major lenders, easing fears of widespread weakness in the financial system.

The biggest movers of the week ending 17 October 2025				
Up			Down	
Serko	4.64%		Precinct Properties NZ	-7.52%
Oceania Healthcare	3.40%		Goodman Property Trust	-7.42%
ANZ Bank	3.14%		Vista Group International	-7.41%
Sky Network Television	2.99%		Vital Healthcare Property Trust	-5.56%
The a2 Milk Company	2.25%		Kiwi Property Group	-5.33%

Source: Iress

## Investment News

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

Infratil has agreed to acquire the Tauranga Energy Consumer Trust (TECT) Holdings' 4.92% stake in Contact Energy (CEN) for \$437.7m, lifting its ownership in Contact from 9.4% to 14.3%. The deal will be funded equally via existing debt capacity (\$218.8m) and the issue of \$218.8m in new Infratil shares at \$12.43 per share, matching the NZX close on 17 October 2025. The transaction follows Infratil's earlier sale of its 51% stake in Manawa Energy to Contact for \$186m in cash and new shares, completing the Contact–Manawa merger. CEO Jason Boyes described the move as a “win-win”, strengthening Infratil's exposure to a cash-generative energy asset while preserving balance-sheet flexibility. The deal reflects Infratil's ongoing strategy of consolidating holdings in high-quality infrastructure and energy businesses. Bulls will view the transaction as deepening sector alignment and earnings visibility, while bears might point to higher gearing and reduced liquidity headroom following recent acquisitions.

**Current Share Price:** \$12.37, **Consensus Target Price:** \$13.35, **Forecasted Gross Dividend Yield:** 1.7%.

### **EROAD (ERD.NZ/ERD.ASX)**

EROAD announced a major strategic refocus toward ANZ markets, positioning itself to capture emerging opportunities in electronic road user charging (eRUC) as both New Zealand and Australia transition to usage-based transport levies. The company, which already processes about \$1 billion in annual RUC collections for the NZ Government, will prioritise growth investment in ANZ while maintaining a customer-support presence in North America. Governance changes include the appointment of John Scott as Executive Chair, with Mark Heine continuing as CEO following the departure of Co-CEO David Kenneson. Updated FY26 guidance reflects softer US performance and a strategic pivot, with revenue now expected at \$197–203 m (previously > \$205 m) and free cash-flow margin 5–8%, alongside an anticipated \$150 m impairment to North American intangibles. Bulls will see the shift as aligning resources with EROAD's regulatory advantage and new eRUC tailwinds, while bears may focus on reduced near-term growth and the large impairment.

**Current Share Price:** \$1.86.

### **Santana Minerals (SMI.NZ/SMI.ASX)**

Santana Minerals announced a milestone step for its Bendigo-Ophir Gold Project, agreeing to acquire the key freehold land parcels at Bendigo Station directly affected by planned mine developments. The deal completes Santana's long-term strategy to secure 100% freehold ownership of all areas within the project footprint, following its earlier purchase of adjoining Ardour Station land. The NZ\$50m acquisition (plus NZ\$4.75m for water-supply land) also extinguishes up to 1.25% net smelter return royalties over the first one million ounces of production, materially improving project economics. Settlement is contingent on approvals under the Fast-track Approvals Act and from the Overseas Investment Office, expected in early 2026. CEO Damian Spring said owning the land and removing royalties “materially enhances project value” and positions the mine for development during a favourable gold price cycle. Bulls will see this as a key de-risking step toward mine construction, while bears may flag remaining regulatory and funding hurdles before first production.

**Current Share Price:** \$1.33.

### **Walmart Inc. (NYSE: WMT)**

Walmart announced a new partnership with OpenAI that will allow customers to shop directly through ChatGPT, marking one of the first large-scale retail integrations of generative AI into e-commerce. The “Instant Checkout” feature will enable shoppers to ask for products conversationally, such as household staples or weekly groceries, and complete purchases within ChatGPT without navigating Walmart's website or app. The company said the move supports its vision for “agentic commerce,” where AI anticipates and executes customer needs. CEO Doug McMillon described it as part of Walmart's strategy to build a “native AI shopping experience, personalised, contextual, and frictionless.” Analysts noted the partnership could expand Walmart's digital ecosystem and improve convenience for its 240 million weekly customers, while also highlighting potential risks around data privacy and consumer adoption. The service will roll out in the U.S. over coming months, with an international expansion under review.

**Current Share Price:** \$107.73, **Consensus Target Price:** \$113.13, **Forecasted Gross Dividend Yield:** 0.77%.

**Upcoming Dividends: 21<sup>st</sup> October to 21<sup>st</sup> November.**

Description	Security	ExDivDate	BooksClose	Gross Dividend Amount	Pay Date
The Bankers Investment Trust	BIT	23-Oct-25	24-Oct-25	1.61cps	28-Nov-25
South Port New Zealand	SPN	31-Oct-25	3-Nov-25	28.47cps	11-Nov-25

Source: Iress

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