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Volume 95

Bay Brokers Limited

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INVESTMENT STRATEGIES

NOVEMBER 2024

VERSUS

WHERE TO FROM HERE

Evidence has recently shown just how badly the Government books have deteriorated over the Covid period and its aftermath. The accounts for the year to June show total Government spending has lifted from just under $100bn a year in 2017 to $180bn this year, an 80% increase. The Government's core debt has more than doubled from 21% to 42.5% of GDP, and the Government sector has grown to a massive 44% of our total economy. This is clear evidence of the damage from six years of the former left-wing government.

DON'T UNDERRATE GEOPOLITICS

Reserve Bank Governor Adrian Orr is worried shares in companies around the world are overpriced, as investors aren't sufficiently factoring in various geopolitical tensions and threats. He makes a valid point - Global tensions have increased dramatically in the last couple of months.

NZ ECONOMY FINELY BALANCED

Nationally and locally we have huge challenges with economic sustainability. This country has a history of under-investment in infrastructure. We have also become hugely "risk averse" when it comes to health and safety. Road cones exemplify this. If we are to maintain (and improve) our standard of living then we have to concentrate of efficiency and effectiveness – not our current "wrapped in cotton wool" approach. Let's remember our No 8 wire approach of the 20th Century and get back to a "can do" mentality.

SHAREMARKETS	CODE	YTD	5 yr/pa
New Zealand	**^NZ50**	8.9%	7.8%
Australia	^AXJO	8.2%	7.9%
United Kingdom	^FTSE	7.5%	3.6%
US - Dow Jones	^DJI	12.4%	14.1%
US - S&P500	^GSPC	21.5%	22.7%
US - NASDAQ	^IXIC	22.0%	30.6%

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STATISTICS NZ DATA

Estimated NZ population at 1-Oct-24 **5,410,067**
Population: 1950: 1,911,608 2000: 3,855,266 Growth 1.8% this year
Births / Deaths: Births: **57,006** Deaths: **37,500** June-24 year
Deaths per 1000 live births**:** Pasifika: **7.3** Māori: **5.7** European: **3.8**
Māori population Estimate Dec-23 (**17.8% of NZ pop**) **887,493**
Net Migration Aug-24yr (**Non NZ: 109,900; NZ Citz: -56,100**) ↓ **53,800**
Total Non-NZ Migration Arrivals Aug-24 yr ↓ **163,000**
Net migration by country Aug-24yr India: 37,000; China: 21,800; Philippines: 21,300 Fiji: 7,200; Sri Lanka; 6,400; South Africa: 5,900; UK:5,700
Annual GDP Growth Jun-24 year (Qtly Sep-23 -0.3% Dec -0.1%) **0.2%**
Inflation Rate (CPI) Sept-24 year (↓ from 3.3% to Jun-24) **2.2%**
Non-Tradable Inflation (Domestic) Sept-24 year **4.9%**
Food Price Inflation Sept-24 year (↓ from 7.0% to Mar-24) **-17.9%**
Household Cost of Living Sept-24qutr ↓ **5.4%**
NZ Core tax Revenue at 2023/24 year ↑ **$167.3 bn**
NZ Core Govt Debt at Sept-24 Treasury Data ↑ **$174.6 bn**
Debt per person (public+private) Jun-23 ↑ **$151,080**
Minimum Wage (up 45 cents from 1st April 2024) **$23.15**
Living wage from 1-Sept-24 **$27.80**
NZ Median Wage from 28-Feb-24 **$31.61**
Annual Wage Inflation (private sector) Dec-23 year **6.6%**
Annual Wage Inflation (public sector) Dec-23 year **7.4%**
Wages average per hour Jun-23 qtr (↑7.4% yoy) **$39.60**
Labour force participation rate Sep-23 qtr (↓ from 72.4%) **71.8%**
Unemployment Mar-24 ↑ **4.3%**
Youth Unemployment Mar-24 **12.4%**
Beneficiaries (Job seeker/Solo/Supported living) Mar-24 ↑ **370,251**
(11.6% of working-age population as at 31-Mar-24)
Jobseeker Support numbers Mar-24 ↑ **187,986**

Size of Māori Economy 2024 (2013: $43bn 2020: $69bn) **$69 bn**
Size of NZ Economy (NZ GDP) June-24 **$415 bn**

WEBSITE:
vond.co.nz

"We have to get the car out of the ditch. We have set 6 quarterly targets"
Prime Minister Christopher Luxon

All comments regarding Local Government are my personal views, and do not purport to represent the views of our Regional Council – of which I am an elected representative.

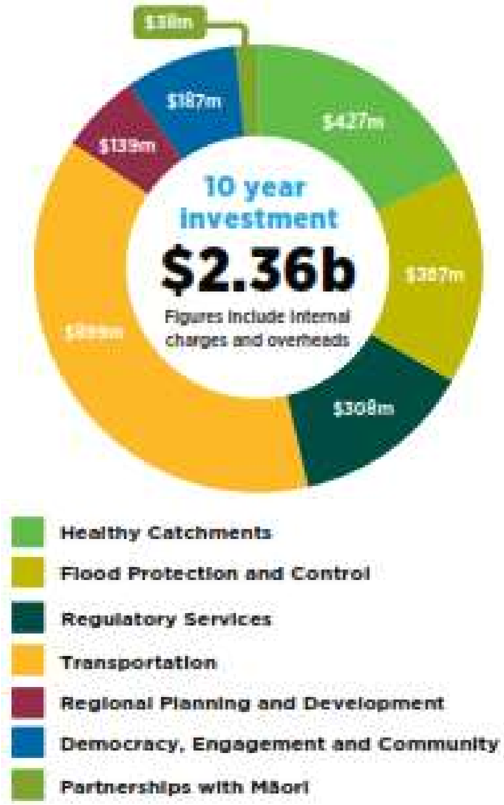
BIG QUESTIONS ON BOPRC RATES

Regional Council sets general rates to fund work that benefits everyone, and targeted rates to fund work that has local or specific benefits. This year, there is a 2.9% real increase in general rates ($13 extra per year for a median Bay of Plenty residential property) or 8.2% including growth and inflation. The problem with this breakdown is that Targeted rates cost ratepayers a little more than General rates overall, making the 8.2% median rate increase well short of the reality.

Ratepayers are upset and I will do my best to get our council to refocus on efficiency and effectiveness to get better value for ratepayers. If we want continued Central Government support then we have to concentrate on our core business.

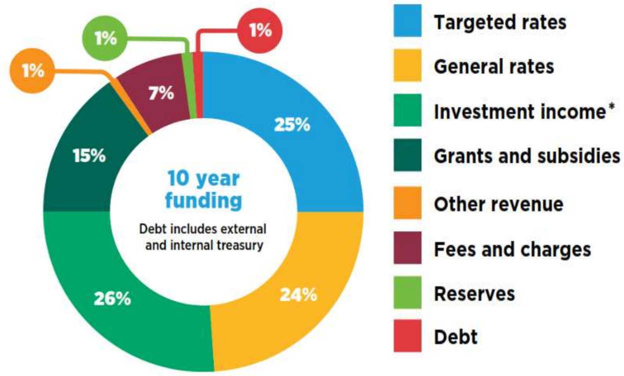
With regards to public transport currently have the lowest farebox recovery in the country and we have to become more "users pay" in our approach.

Where the money is being spent (10 year view)



BOPRC RATES - Where the money is spent	$m	Percent
Healthy Catchments	427	18.1%
Flood Protection & Control	367	15.5%
Regulatory Services	308	13.0%
Transportation	899	38.0%
Regional Planning & Development	139	5.9%
Democracy, Engagement & Community	187	7.9%
Partnerships with Māori	38	1.6%
10-year investment	2,365	

Where the money is coming from



BOPRC RATES - Where the money comes from	$m	Percent
Targeted rates	591	25%
General rates	568	24%
Investment income *	615	26%
Grants & subsidies	355	15%
Other revenue	24	1%
Fees & charges	166	7%
Reserves	24	1%
Debt	24	1%
10-year funding	2,365	

*For the 2024/25 year, BOPRC will receive $47m from BOPRC's investment arm, Quayside Holdings Ltd. This helps reduce rates for all Bay of Plenty ratepayers.

NOTE: Percentages & Dollars ($m) are rounded

TAURANGA CITY DEBT RATING

The situation in Tauranga appears challenging with the recent affirmation of its A+ credit rating by S&P but with a negative outlook.

CREDIT RATING AFFIRMATION: S&P has maintained Tauranga's A+ credit rating, indicating a strong capacity to meet financial commitments, but with a negative outlook.

- REASON FOR NEGATIVE OUTLOOK: The negative outlook stems from concerns over increased capital expenditure under new Mayor Mahe Drysdale. This spending is aimed at developing infrastructure in a rapidly growing city. However, it has led to a significant increase in the debt burden on ratepayers.
- DEBT LEVELS: Tauranga's gross debt is projected to reach 300% of operating revenues. This level of indebtedness is notably high and raises concerns about the city's financial sustainability and ability to manage future financial shocks.
- COMPARISON WITH OTHER NZ COUNCILS: New Zealand councils are noted for their high debt levels compared to international standards. Tauranga's debt levels exceeding previous expectations indicate a substantial increase in financial commitments.

- IMPLICATIONS: The negative outlook implies that there is a possibility of a downgrade in the future if the city's financial situation does not improve or if debt levels continue to escalate without corresponding revenue growth or cost controls.

In summary, while Tauranga maintains a strong credit rating for now, the negative outlook reflects concerns over its high debt levels and the sustainability of current financial practices amidst ambitious infrastructure spending.

HASTINGS MAYOR GIVES UNELECTED 15 YEAR OLDS A VOTE ON COUNCIL

The Taxpayers' Union is telling Hastings Mayor Sandra Hazlehurst to 'grow up' after she used her casting vote to give committee voting rights, and a salary, to members of the Hastings District Youth Council (school-aged kids).

"Let's get real. This is a thinly veiled move by left-leaning councillors to stack council committees with even more idealism and inexperience. Using kids for political leverage needs to be called out for what it is."

"It's also undemocratic. These children have no democratic mandate or accountability. It's a blatant attempt to 'screw the scrum' by cynical politicians and grifters."

"Local government is in crisis and instead of the adults prevailing, Mayor Hazlehurst is inviting kids with, at best, year 10 business studies, to cast votes on governance matters of an organisation with total assets of nearly three billion."

Ratepayers will be funding salaries and costs for 15-year-olds to sit and vote on Council committees. And people wonder why there is such disillusionment with local government. **And this at a time when ratepayers are facing huge rate increases (see next article).**

HASTINGS FACING ONE OF HIGHEST RATES RISES IN COUNTRY - COUNCIL COULD HIT $700 MILLION DEBT

The Hastings District Council, led by Mayoress Sandra Hazelhurst, is facing significant financial challenges primarily due to the aftermath of Cyclone Gabrielle.

- RATES INCREASE: The council is proposing a 25% increase in rates for the 2024/25 year. This increase is intended to cover the costs of cyclone recovery efforts, which are substantial.
- DEBT LEVELS: The council's debt is nearing $400 million and is projected to reach $700 million by 2030. This high level of debt is a concern, especially considering ongoing recovery costs and other financial pressures.
- CYCLONE RECOVERY COSTS: The council is implementing a cyclone recovery targeted rate to help cover the estimated $17 million per year for 16 years, totalling $620 per property annually.
- FINANCIAL IMPACT ON RESIDENTS: For an average homeowner paying about $3000 in rates annually, this 25% increase would raise their rates bill to approximately $3750 for the next council year.
- COMPARATIVE RATES INCREASES: Hastings' proposed 25% increase is among the highest in the country, with other councils like West Coast Regional Council and Napier City Council also facing significant rate rises.

PROPOSED RATES INCREASES ACROSS HAWKE'S BAY (FOR 2024/25, STARTING JULY 1):

- Hastings District Council: 25% rise
- Napier City Council: 23.7% rise
- Central Hawke's Bay District Council: 20% rise
- Hawke's Bay Regional Council: 19.6% rise*
- Wairoa District Council: Yet to be released

*Hawke's Bay Regional Council has changed its rating system which means many homeowners will see more than a 19.6% rise.

LOCAL FAST-TRACK LISTED PROJECTS - DETAILS RELEASED ON 6TH OCTOBER 2024

Ministers Hon Chris Bishop & **Hon Shane Jones** announced **149 projects** for inclusion in the Government's one-stop-shop Fast Track Approvals Bill, which will help rebuild the economy and fix our housing crisis, improve energy security, and address our infrastructure deficit, Minister for Infrastructure Chris Bishop says.

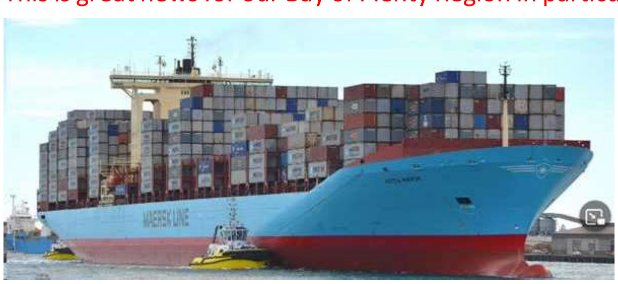
Details include:

- 384 projects applied to be considered for inclusion in Schedules 2A and 2B of the Fast-track Approvals Bill.
- Of the 384, the independent Advisory Group recommended 199 projects for inclusion in Schedule 2A, 143 for inclusion in Schedule 2B, and 42 for not listing.
- Cabinet subsequently agreed to list 149 infrastructure and development projects that have significant regional or national benefits in the newly-named Schedule 2.
- Ministers and members of the independent Advisory Group followed a careful and robust process for managing actual, potential or perceived conflicts of interest with regard to the projects.
- The Fast-track Approvals Bill is currently before the Environment Select Committee which will report back to Parliament by 18 October.
- The Bill is expected to go before Parliament for its second reading in November. The Bill will be passed into law before the end of the year.

BAY OF PLENTY REGION – 12 FAST-TRACK PROJECTS

Foresta (NZ) Limited	Foresta - Kawerau - Stage 1 - Pine Chemicals and Wood Pellet Plant	Bay of Plenty	Housing and Land Development	The Foresta - Kawerau - Stage 1 - Pine Chemicals and Wood Pellet Plant project is to construct and operate a pine chemical and wood pellet plant on a 9.5 hectare site near Kawerau.
Bell Road Limited Partnership	Wairakei South	Bay of Plenty	Housing and Land Development	To develop between 123 – 340 hectares of rural land near Papamoa, for residential, commercial and industrial uses. If the full site is developed, the project will comprise of 2,000-3,000 new homes and 60-80 hectares of new industrial land, covering 153 hectares.
Tauriko Property Group Limited Partnership	Tauriko West by Tauriko Property Group	Bay of Plenty	Housing and Land Development	To develop between 132 hectares of Rural zoned land at Tauriko for residential use, with approximately 1,250 homes.
Ngā Pōtiki a Tamapahore Trust	Tara Road Development	Bay of Plenty	Housing and Land Development	The project will include 605 residential allotments, and a 2.5-hectare commercial precinct.
Port of Tauranga Limited	Stella Passage Development	Bay of Plenty	Infrastructure	The project is for extension of the Sulphur Point (stage one) and Mount Maunganui wharves (stage two), and to carry out the associated reclamation and dredging of the sea bed.
New Zealand Transport Agency Waka Kotahi	Takitimu North Link Stage 2	Bay of Plenty	Infrastructure	To construct a four-lane, median-divided highway to replace the existing SH2 corridor between Te Puna and Ōmokoroa. This project is an extension of Takitimu North Link Stage One, which is currently under construction and will link Tauranga and Te Puna.
Port of Tauranga Limited	Capital and Maintenance Dredging Reconsenting Project	Bay of Plenty	Infrastructure	The project is to remove dredging material from the coastal marine area to deepen, widen and maintain the navigation channels of the Port of Tauranga.
New Zealand Transport Agency Waka Kotahi	SH29 Tauriko Network Connections (including Omanawa Bridge replacement)	Bay of Plenty	Infrastructure	To develop SH29 and SH29A which form part of the key 'Golden Triangle' connection, including to the Port of Tauranga. The Omanawa Bridge is scheduled to be replaced in 2024-2027.
Te Rāhui Herenga Waka Limited Partnership	Te Rāhui Land Fill Project	Bay of Plenty	Infrastructure	The Te Rāhui Land Fill project is to establish multiple disposal sites for the deposit of excavated material from the previously consented Te Rāhui Herenga Waka Whakatāne – Whakatāne Boat Harbour project site.
Katikati Quarries (2001) Ltd	Katikati Quarry Expansion	Bay of Plenty	Mining and Quarrying	The Katikati Quarry Expansion Project is to expand the existing quarry by 50 hectares within both their own property boundaries, as well as into adjacent Crown land. The project will comprise development of the quarry expansion area into an operational quarry and construction of new access roads, infrastructure and ancillary buildings.
Manawa Energy Limited	Kaimai Hydro-Electric Power Scheme Re-Consenting	Bay of Plenty	Renewable Energy	The Kaimai Hydro-Electric Power Scheme project is to reconsent Manawa Energy Ltd.'s existing Kaimai Hydro Electric Power Scheme.
Manawa Energy Limited	Wheao Hydro-Electric Power Scheme Re-Consenting	Bay of Plenty	Renewable Energy	The Wheao Hydro-Electric Power Scheme Re-Consenting project is to reconsent Manawa Energy Ltd's existing Wheao Hydro-Electric Power Scheme. The scheme's existing consents under the RMA are due to expire at various times through 2026.

This is great news for our Bay of Plenty Region in particular; and for New Zealand Inc to ensure immediate growth.



Putting port work into the "fast-track" process should be seen as a win-win for the port sector – However, these plans have already been in the fast-track works for 5 years!

Port of Tauranga, in particular, will probably feel a little aggrieved, given its "Stella Passage" development's slow progress through the last "fast-track" process. The Port's 285 metre extension of its southern berth and associated dredging started work on the plan in 2019 and yet is still held up in the Environment Court – costing many tens of millions of dollars in inflated costs.

ROY MORGAN SEPTEMBER 2024 POLL				
Party	Vote	Change*	Seats	Change**
National	37.5%	(3.0%)	49	nc
Labour	23.0%	5.5%	30	(4)
Act	10.0%	(1.5%)	13	2
Green	14.0%	1.0%	18	2
Māori	4.0%	(2.5%)	6	nc
NZ First	7.5%	nc	10	2
Other	4.0%	0.5%	-	-

* Change from August ** Change since election

Polling Period: 26th August to 22nd September 2024

CURIA/TAXPAYERS' UNION Oct-24 POLL				
Party	Vote	Change*	Seats	Change**
National	34.9%	(4.1%)	45	(4)
Labour	30.3%	3.6%	39	4
ACT	9.7%	0.9%	13	2
Green	10.4%	(0.6%)	13	(2)
NZ First	7.6%	0.8%	10	2
Māori	3.0%	(2.0%)	6	nc
Other	4.1%	0.6%	0	nc

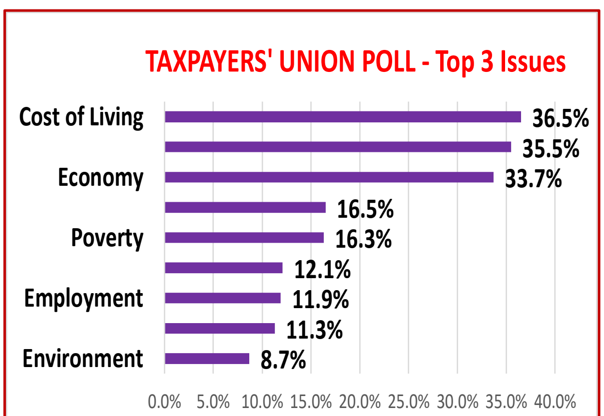
* Change from Sept-24 ** Change since election

Polling Period: September 2024

ONE NEWS/VERIAN POLL - JUNE 2024				
Party	Vote	Change*	Seats	Change**
National	37%	2%	47	(2)
Labour	29%	(1.0%)	36	2
Act	8%	nc	10	(1)
Green	12%	(1.0%)	15	nc
NZ First	5.0%	1.8%	6	nc
Maori	4.0%	(0.4%)	6	nc
Other	5%	0.3%	-	-

* Change from August 2024 ** Change since election

Polling Period: 5th to 9th October 2024



EMPLOYMENT INDICATORS – AUGUST 2024

Source: StatsNZ, 4-Oct-24

The following figures are actual values for August 2024 and are compared with August 2023.

- Filled jobs were 2.36 million, down 9,457 (0.4%) compared with August 2023.

Filled jobs changes by industry

By industry, the largest changes in the number of filled jobs compared with August 2023 were in:

- **health care & social assistance** – up 4.3% (11,525 jobs)
- **construction** – down 3.9% (8,197 jobs)
- administrative and support services – down 6.9% (7,250 jobs)
- **accommodation & food services** – down 2.5% (4,005 jobs)
- **retail trade** – down 1.8% (3,958 jobs).

Filled jobs changes by region

By region, the largest changes in the number of filled jobs compared with August 2023 were in:

- Auckland – down 0.9% (7,676 jobs)
- Wellington – down 0.9% (2,310 jobs)
- Canterbury – up 0.5% (1,562 jobs)
- Taranaki – down 1.4% (802 jobs)
- Waikato – up 0.2% (545 jobs).

Filled jobs changes for men and women

In August 2024 compared with August 2023, the number of filled jobs fell by 1.2 percent (14,491 jobs) for men and fell by 0.5 percent (5,749 jobs) for women.

Filled jobs by age group

By age group, the largest changes in the number of filled jobs compared with August 2023 were in:

- 15–19 years – down 12.8% (17,351 jobs)
- 35–39 years – up 4.6% (12,100 jobs)
- 25–29 years – down 3.6% (9,569 jobs)
- 40–44 years – up 3.4% (8,211 jobs)
- 20–24 years – down 2.9% (6,469 jobs).

Gross earnings

Actual gross earnings on an accrual basis for the August 2024 month were $15.6 billion, compared with $15.4 billion for the August 2023 month.

JOBSEEKER BENEFIT NUMBERS INCREASE BY 12%

Data released by Minister of Social Development Hon Louise Upston show:

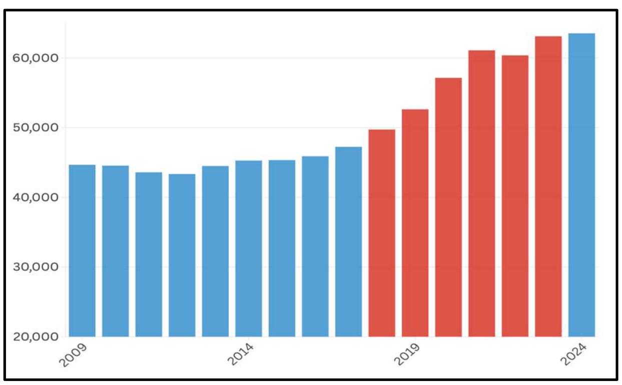
- Increase in Jobseeker Work Ready Beneficiaries: Between September 2023 and September 2024, the number of people receiving the Jobseeker Work Ready payment increased by approximately 11.8%, which amounts to around 12,300 more individuals.
- Comparison with Health Condition or Disability Payments: In the same period, the number of people

receiving the "health condition or disability" payment also increased, but by a higher percentage (14.3%), totalling around 11,000 more recipients compared to September 2023.

- Recent Trends: Despite the overall increase over the year, there was a slight decrease (0.2%) in Jobseeker Work Ready beneficiaries from August to September 2024. This marks the first decline since April 2024.
- Government Response: The National Coalition Government acknowledges the rise in unemployment, as a consequence of economic factors, like inflation and previous recession periods. They have set a target to reduce the number of people on Jobseeker Support by 50,000 over six years and claim to see positive signs from their proactive approach.
- Overall Benefit Figures: Including all main benefits (Jobseeker and others like Sole Parent Support and Supported Living Payment), there was an increase of about 29,100 recipients (8%) year-on-year.
- Policy Changes: The government has introduced stricter requirements and a new beneficiary traffic light system aimed at increasing compliance with work obligations among Jobseeker beneficiaries.

All of this paints a picture of a fluctuating but overall increasing trend in Jobseeker Work Ready beneficiaries, with a backdrop of determination by this government to “get the unemployed off their couches and into work”.

PUBLIC SERVICE FTE ROLES 2009-2024



Source: Public Service Commission

The recent workforce data from the Public Service Commission reveals an unexpected 0.7% increase in full-time equivalent (FTE) roles in the public service up to June 2024, despite the coalition government's widely publicized budget cuts and resulting job redundancies. This growth contrasts sharply with a significant 3.3% decrease, equivalent to over 2100 roles, since the end of 2023, largely attributable to decisions made by the current administration.

Interestingly, much of this recent growth can be attributed to decisions made by the previous government. However, unions are cautioning that the worst effects of the cuts may yet be to come, as subsequent datasets reflect the full extent of the reductions. Reflecting on historical trends, during the tenure of the last National government, three years of workforce reductions were followed by six years of slight growth. It remains to be seen whether a similar pattern will emerge under the current coalition government if it remains in power long enough.

This data underscores the complex interplay between government policy decisions, workforce dynamics, and broader economic conditions within the public sector.

GOVT TO CHANGE OR REMOVE TREATY PROVISIONS IN 28 LAWS

The Govt has identified 28 pieces of legislation, dating back to 1986, that will have their Treaty of Waitangi provisions scrutinised with a view to change or repeal the clauses.

The NZ First-National coalition agreement commits the Govt to conducting a comprehensive review of all legislation (except when it is related to, or substantive to, existing full and final Treaty settlements) that includes 'The Principles of the Treaty of Waitangi'.

1. Scope of Review: The government plans to scrutinize 28 pieces of legislation dating back to 1986. These laws include various sectors such as environment, education, health, and more. The goal is to either amend or repeal Treaty of Waitangi provisions within these laws to provide clearer, more specific guidelines.
2. Reasons for Review: There's concern that over the years, vague Treaty references have led to uncertainty and varied interpretations among courts, agencies, businesses, and local councils. The aim is to bring consistency and clarity while honouring Treaty commitments.
3. Criticism and Support: The review has sparked debate. Critics argue that removing Treaty provisions could undermine Māori rights and relationships, particularly in areas like corrections and environmental management. Supporters, however, see it as a way to streamline legislation and ensure clarity in legal and policy frameworks.
4. Process and Consultation: The Ministry of Justice is leading the review process, consulting with various government departments and stakeholders. The government aims for thorough consultation to address concerns and gather diverse perspectives before making legislative changes.
5. Future Impact: The outcome could potentially affect how future legislation incorporates Treaty principles. It remains a contentious issue with implications for Māori-Crown relations and legal frameworks across New Zealand.

This review reflects ongoing efforts to balance legal clarity and Māori rights under the Treaty of Waitangi, highlighting the complexities of modernizing legislation while respecting historical agreements.

WAS SOVEREIGNTY WAS CEDED IN 1840?

Christopher Luxon and Chris Hipkins recently disagreed on whether they think Māori ceded sovereignty when they signed the Treaty of Waitangi in 1840. David Farrar noted that the question was over whether sovereignty was ceded, not over whether the Government today has sovereignty. He is polling 1,000 NZers to find out what they think.

Luxon has continually reiterated in Parliament, saying **"our position is the Crown is sovereign"**. Deputy Prime Minister Winston Peters agreed, citing prominent former Māori MP Sir Apirana Ngata from 1922.

It is a fact that, 102 years ago in a major thesis Sir Āpirana Ngata set out the very circumstances of the Treaty, and he clearly stated:

"Māori ceded sovereignty."

BUSINESS LOBBIES GOVERNMENT

The 22nd edition of **the Mood of the Boardroom** was published recently, providing an idea of what 103 top businesses are lobbying the Government about. Here's a summary of the key points:

1. Call for Tax Cuts: CEOs are advocating for further cuts to New Zealand's company tax rate, currently at 28%, aiming to shift more of the tax burden to personal income and expenditures.
2. Attracting the Ultra-Rich: Business leaders are lobbying for tax relief to attract high-net-worth individuals to New Zealand, with a key advocate pushing for more favourable tax conditions.
3. Openness to Capital Gains Tax: Surprisingly, 41% of CEOs are open to the implementation of a capital gains tax, indicating a potential shift in attitudes toward asset taxation.
4. Demand for Structural Economic Reform: There's a strong desire among business elites for significant economic reforms, suggesting a need for a more transformative agenda akin to historical reforms like Rogernomics.
5. Deregulation Push: CEOs are calling for reduced regulation, arguing that current red tape stifles business growth and economic development.
6. Support for Public Sector Reform: A majority (83%) support financial cuts to public agencies, with some advocating for even larger reductions to align the public sector more closely with the private sector.
7. Infrastructure Concerns: Businesses express significant concern over infrastructure quality but are pleased with the Government's new National Infrastructure Agency and its long-term project pipeline.
8. Public-Private Partnerships (PPP): There is strong support for utilizing PPPs for infrastructure projects, allowing the private sector to handle government contracts for public infrastructure.
9. Backing Fast-Track Approvals: Businesses favour the Government's Fast-track Approvals Bill as a solution to the infrastructure deficit, viewing the Resource Management Act unfavourably.
10. Frustration with Political Short-Termism: CEOs are frustrated with the cycle of reform cancellations between National and Labour governments, which they believe leads to short-term focus and neglect of major issues.

BOARDROOM MOOD - INCREASED CONFIDENCE

For the 100 chief executives and chairpersons, that's how they see what is important as employers and to New Zealand's economic recovery and who they ranked the top-performing Government MPs.

1.	Erica Stanford (Education)	4.01/5
2.	Simeon Brown (Transport)	3.89/5
3.	Nicola Willis (Finance)	3.88/5
4.	Chris Bishop (Infrastructure)	3.88/5
5.	Judith Collins (Defence)	3.74/5
6.	Christopher Luxon (Prime Minister)	3.73/5
7.	Winston Peters (Foreign Affairs)	3.66/5
8.	Mark Mitchell (Police)	3.62/5
9.	Brooke van Velden (Internal Affairs)	3.60/5
10.	Todd McClay (Trade)	3.50/5

They are the top 10 according to the survey and within that group of 10, there's also Luxon's kitchen Cabinet – his close confidantes and go-to lieutenants who front most of the Government press conferences.

It's interesting that David Seymour didn't make the Top Ten

Low Ratings for Opposition Parties:

Current opposition leaders, particularly from Labour, are rated poorly by CEOs, with Chris Hipkins receiving just 2.3/5. Other opposition leaders also scored low, reflecting a lack of confidence in their effectiveness. Hipkins is being surpassed by Kieran McAnulty (2.8), Barbara Edmonds (2.7), and Ayesha Verrall (2.4). The lowest performers on the frontbench, according to the CEOs are: Willie Jackson, Willow Jean Prime, and Jan Tinetti (all about 1.9).

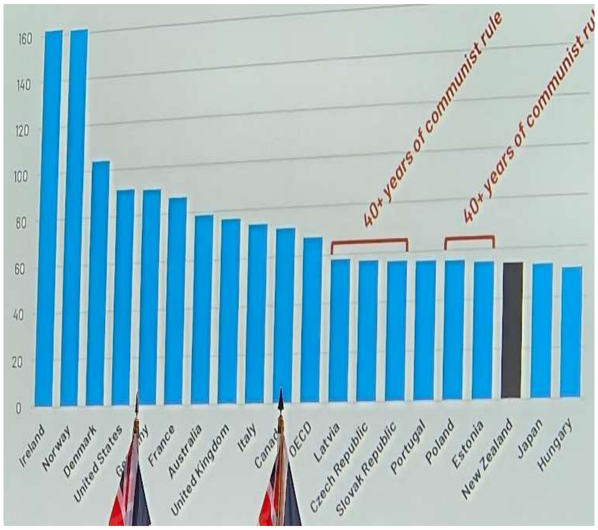
Other opposition leaders are also rated poorly by business. For the Greens, Chlöe Swarbrick receives a rating of 2.5/5, while co-leader Marama Davidson is on only 1.8/5. Te Pati Māori's Debbie Ngarewa-Packer and Rawiri Waititi share the same rating of only 1.7/5.

"New Zealanders understand that we've inherited a hell of a mess. We're fixing it - we're sorting it out for them."

Christpher Luxon

GETTING NEW ZEALAND’S PRODUCTIVITY UP

2022 – GDP PER HOUR WORKED



Minister Bishop is focused on improving New Zealand’s Productivity. The Luxon Coalition Government is determined to target this key metric because without improving productivity per person in this country, we are all going backwards. It will take a strong economy to improve both the cost of living and strong environmental sustainability. It’s not an “either-or” as the left believe, it is a “plus-plus”.

TACKLING NEW ZEALAND’S EMISSIONS IS KEY

The New Zealand Coalition Government is preparing its final emissions reduction plan, which will place a much stronger emphasis on policies aimed at reducing climate pollution from buildings and construction compared to its initial draft.

Climate Change Minister Simon Watts highlighted

that both buildings and solar energy will feature prominently in the final plan, reflecting feedback from stakeholders and experts. This shift towards addressing emissions from the built environment, responsible for a significant portion of New Zealand's emissions, has been welcomed by the Green Building Council. They emphasized that such measures not only align with global climate targets but also offer economic benefits by lowering costs for households and businesses.

The plan's development has been influenced by extensive public feedback, prompting adjustments from the government to better meet climate goals. These adjustments are seen as crucial, especially as the current trajectory under the draft plan suggests potential failure to meet future emissions budgets and the 2050 net zero target.

Policies targeting building emissions are considered advantageous as they could potentially reduce the financial burden of meeting international climate commitments like the Paris Agreement. Key areas of focus include reducing both embodied emissions from construction materials and operational emissions from energy use throughout a building's lifecycle.

The potential benefits of such policies have been underscored by economic research, indicating substantial long-term savings through improved building efficiency. Initiatives like a commercial buildings disclosure program, similar to successful models in Australia, are proposed to stimulate market-driven efficiency improvements.

The government's approach also involves ongoing policy development, such as a climate-work programme under Building and Construction Minister Chris Penk, aiming to leverage green building practices to achieve significant emissions reductions.

Overall, the revised plan reflects a more comprehensive strategy towards emissions reduction in the building sector, balancing environmental goals with economic advantages, and responding to broader climate policy imperatives.

NEGATIVE MIGRATION WOULD HINDER ECONOMY

It is not all “plain sailing” for **Immigration Minister Erica Stanford**.

A significant shift in migration patterns for New Zealand indicate a potential trend towards negative net migration in the near future.

- Current Migration Trends: Net migration in New Zealand has been declining sharply, with numbers dropping from a peak of 136,700 in October last year to 67,200 recently. Departures have been steadily increasing, surpassing previous records, particularly notable in May when 13,518 people left the country.
- Economic Factors: The weakening economy is cited as a major reason for the decline in attractiveness of New Zealand as a destination. This economic downturn has made it harder for newcomers to find work, contributing to fewer arrivals.
- Potential for Negative Migration: Economists predict that net migration could turn negative as early as the first half of the coming year. This means more people leaving New Zealand than arriving, which could have various economic and social impacts.

- MPACT ON HOUSING AND ECONOMY: A potential negative migration trend is expected to further slow the housing market and dampen economic growth, posing challenges for the country's economic recovery efforts.

Overall, these developments underline broader economic challenges facing New Zealand and reflect a shift in global mobility patterns influenced by economic opportunities and lifestyle choices.

MĀORI PARTY BACKS DRUG DEALERS

Rawiri Waititi, leader of the Māori Party, claims police targeting the Mongrel Mob – a group alleged to be involved in a drug distribution - as "*terrorism*" and motivated by a "*racist agenda*".

It is plainly disgraceful that a political party defends drug dealing gangs and hates the Police so much they call them terrorists. TPM say they are for ta ao Māori and against colonisation, so why are they so pro-gang? There were no gangs pre-colonisation. Gangs are in no way part of the traditional Māori worldview of Manaakitanga – they are the opposite.

This is plainly outrageous. Could you imagine a Labour Coalition Government having Ministers who regard the Police as terrorists?

PETERS PROMOTES FOREIGN INVESTMENT

At the recent NZ First conference, Deputy Prime Minister Winston Peters announced a **"New Zealand Future Fund"** of up to $100 billion, aiming to attract foreign investment, including from overseas sources. Peters' fund is seen as a more ambitious alternative to the National Infrastructure Bank proposed by Judith Collins in 2020, which National has since abandoned due to concerns it was too socialist.

Historically, New Zealand had high levels of foreign direct investment (FDI) relative to GDP, reaching a peak of 59% of GDP in the 1990s, much higher than the 20% average among developed countries. However, this has since declined to the point that we are once again well below the OECD average.

Peters commented that modern large investment funds are less interested in small-scale New Zealand projects, leading to a need for aggregation of opportunities to attract attention from international investors.

A second proposition that Winston Peters put to their conference was the reduction in **Company Taxation from the current 28% rate to 12%**, noting that this tax reform could make New Zealand more attractive to foreign investors - referencing Ireland's successful investment strategies.

Overall, the discussion highlighted differing views on the government's role in foreign investment, with Peters advocating for a proactive approach while others prefer traditional economic fundamentals.

"We stand for one people, one country, one flag, united as one … It is the only way our country will ever succeed," Peters recently said.

A CAPITAL GAINS TAX IS POLITICALLY DANGEROUS

In a recent NZ Herald Opinion piece Steven Joyce highlights the pitfalls of New Zealand introducing a "Capital Gains Tax". He noted the risks of introducing a capital gains tax, saying that it will remain an electoral non-starter from a vote winning perspective.

- POLITICAL SENSITIVITY: The exclusion of family homes, holiday homes, and agricultural land highlights the deep-seated cultural values associated with property ownership in New Zealand. Politically, any move to tax these assets would be seen as an attack on personal wealth and security, leading to significant backlash.
- IMPACT ON SMALL BUSINESSES: Many New Zealanders identify with small and medium-sized enterprises. Taxing capital gains could disincentivize entrepreneurship and risk-taking, crucial for economic growth, especially in a country where small businesses are the backbone of the economy.
- ECONOMIC ACTIVITY: The argument that higher taxes stifle economic activity is a key concern. Entrepreneurs and businesses often require incentives, not barriers, to invest, expand, and hire. A capital gains tax could deter investment in an already challenging economic environment.
- TAX BASE LIMITATIONS: The potential tax base for a broader capital gains tax might be limited, given the exclusions that would likely be necessary. This could render the tax less effective in achieving its intended goals.
- GLOBAL COMPETITIVENESS: The absence of a capital gains tax can indeed be a competitive advantage for New Zealand, attracting businesses and investment. In a global context, countries often compete on tax policies, and maintaining a favourable environment can be crucial for economic growth.

In conclusion, while the idea of a capital gains tax may be framed as a means to address inequality and fund public services, the political, cultural, and economic realities in New Zealand make its implementation fraught with challenges. Balancing the need for revenue with the desire to promote economic growth and entrepreneurship will be an ongoing debate.

THE WORLD AT A GLANCE – GLOBAL HEAT MAP JUNE-24

UNITED STATES
Top US pollster says 60% chance Trump will take 6 of 7 swing states

EUROPE
Migration is a huge issue The Far-right capitalise on it

INDIA
Canadian assassinations a blight on Modi

AUSTRALIA
Australia moves closer to the US. Will they embrace nuclear power plants

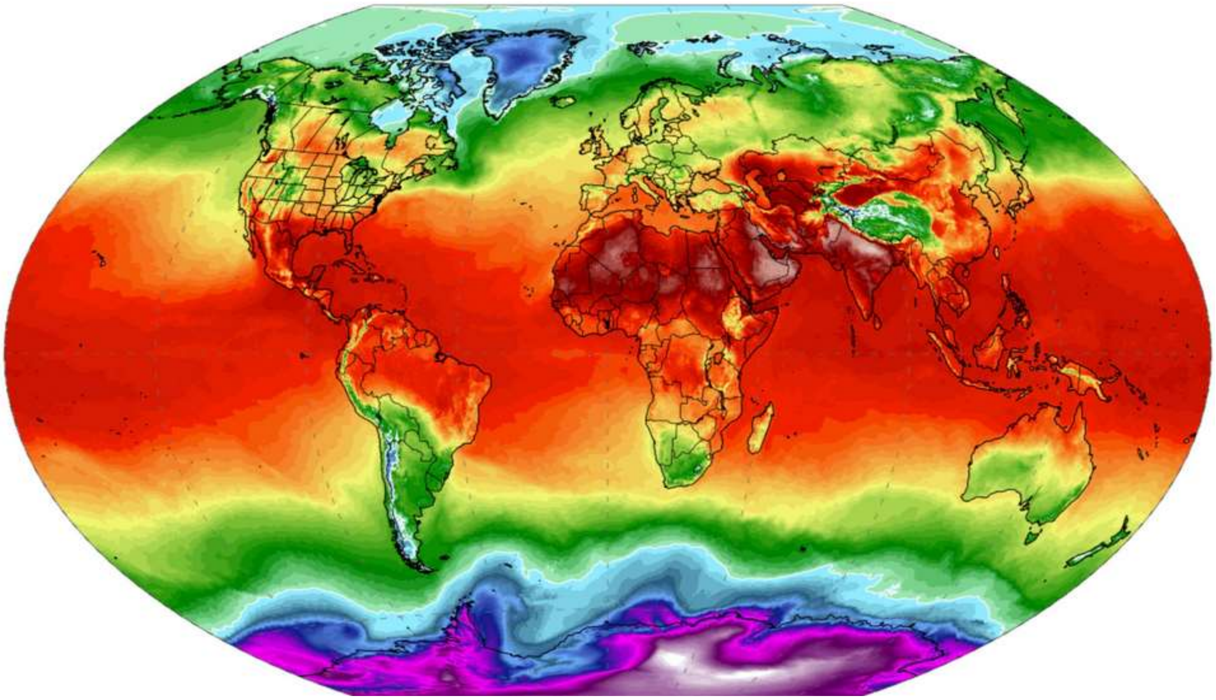
NEW ZEALAND
What a week of sporting success There is now a real "can do" mood

UNITED KINGDOM
Can Labour's Chancellor stop UK's public sector from further decline

RUSSIA
BRICS meeting highlights East/West divide

CHINA
Where does China sit in Middle East conflict? China walks a diplomatic tightrope

JAPAN
North Korean and Chinese aggression of huge concern to Japan



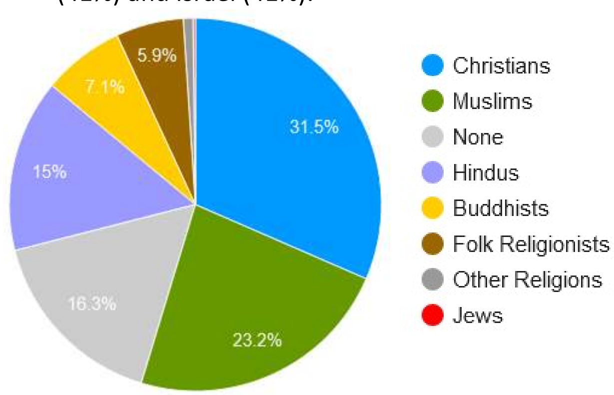
WORLD HEAT MAP (ABOVE)

New Zealand is very well placed to have an improving economy as a result of global warning. In 2006 NIWA produced a report that stated that New Zealand's economy would achieve a net 25% increased economic benefit from a warming climate. Countries closer to the equator will be the ones that are most adversely affected. This is not to say that "Storm effect" will not be a huge risk for parts of New Zealand going forward. Warming oceans means that climate change does remain a global risk – albeit cyclical.

WORLD POPULATION BY RELIGION

SOURCE: Pew Research Center, USA (based on the 2010 world population of 6.9 billion)

- **2,173,180,000 CHRISTIANS** (**31%** of world population): 50% are Catholic, 37% Protestant, 12% Orthodox, and 1% other.
- **1,598,510,000 MUSLIMS (23%)**: 87-90% are Sunnis, 10-13% Shia.
- **1,126,500,000 NO RELIGION AFFILIATION (16%)**: atheists, agnostics and people who do not identify with any particular religion. 20% of USA people are religiously unaffiliated.
- **1,033,080,000 HINDUS (15%):** 94% live in India.
- **487,540,000 BUDDHISTS (7%):** half live in China.
- **405,120,000 FOLK RELIGIONISTS (6%)**: faiths that are closely associated with a particular group of people, ethnicity or tribe.
- **58,110,000 OTHER RELIGIONS (1%)**: Baha'i faith, Taoism, Jainism, Shintoism, Sikhism, Tenrikyo, Wicca, Zoroastrianism and many others.
- **13,850,000 JEWS (0.2%)**: 82% live in United States (41%) and Israel (41%).



"We are on a mission with a purpose. We do not care what the media say. We can build the best country on earth if we stay focused"

Prime Minister Christopher Luxon, at the 2024 President's Dinner

GLOBAL GROWTH

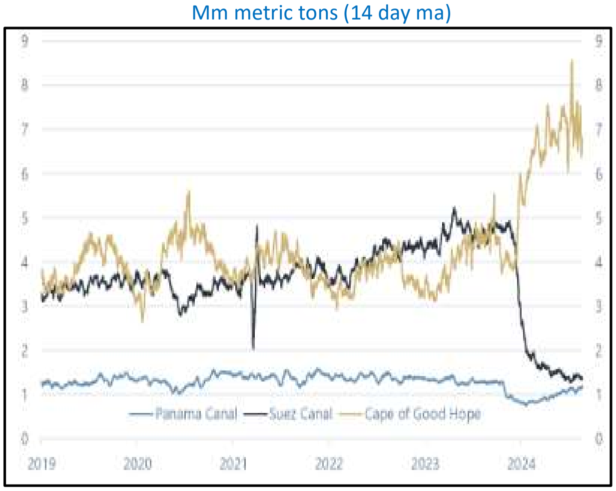
The IMF has just released a report to sat that Global Debt will reach US$100 trillion before the end of 2024.

MIDDLE EAST CONFLICT INCREASES UNCERTAINTY

Growing tensions across the Middle East could spur further disruptions for shipping and freight. The gowing conflict is continuing to impact shipping routes going through the Suez Canal. Whilst trade volumes going through the Suez Canal have shown modest signs of improvement in recent weeks, they remain very highly suppressed.

DAILY SHIPPING TRANSIT TRADE VOLUMES

Mm metric tons (14 day ma)



And whilst conflict has worsened in recent days, freight rates have moderated since the initial conflict on 7-Oct-23. That said, since then freight rates for key routes such as China > LA and China > Europe are still up 163% (peaked at 276%) and 277% (peaked at 719%) from Oct-23, respectively.

Annual inflation international comparisons	12-mth inflation rate	Time reference
New Zealand	**2.2%**	**Sep-24**
Australia	2.7%*	Aug-24
United Kingdom	1.7%**	Sep-24
United States	2.4%	Sep-24
OECD average	4.7%	Aug-24
European Union	2.2%	Aug-24

* Australia's inflation rate is taken from the monthly indicator release.

** United Kingdom's CPI figure is not their headline figure, which is 'Consumer Prices Index - including owner occupiers' housing costs (CPIH)'.

COUNTRIES WITH THE HIGHEST LEVEL OF NATIONAL DEBT (BASED ON A DEBT TO GDP RATIO)

- Japan 264%
- Venezuela 241%
- Greece 173%
- Italy 142%
- United States 124%

NOTE: In 2024 The USA national Debt totaled US$35.61 trillion. Japan can cope with a much higher debt to GDP than the USA because the Japanese people have a much higher household savings rate.

IT IS INTERESTING TO TRY AND GET A PICTURE OF THE USA AND THE NEW ZEALAND ECONOMY:

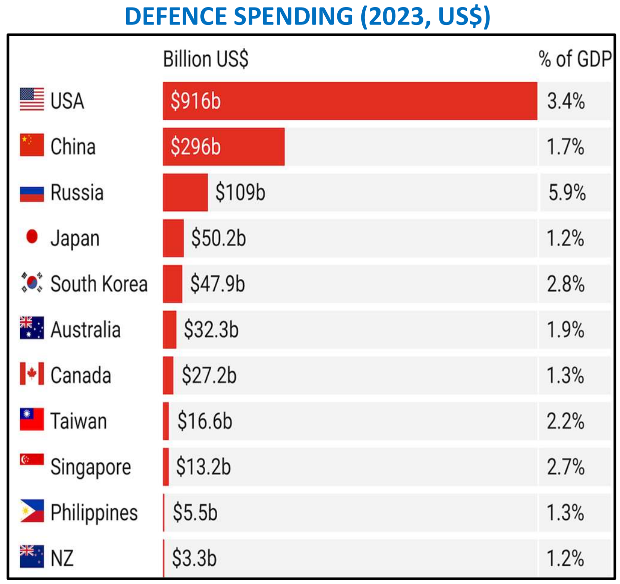
i. The USA population is around 65 times New Zealand.
ii. The USA land area is around 36.66 times New Zealand. The USA GDP is around 117 times New Zealand.
iii. The USA debt is around 335 times New Zealand.
iv. The USA current national debt of $35,680,830,000,000 ($35.68 trillion $US) converts in New Zealand currency to: $58,691,397,260,000 ($NZ).

Another way, perhaps, of looking at this enormous number is to convert it to New Zealand houses. Which at an average house value of $750,000 ($NZ), this USA debt would then represent the value of 78.255 million New Zealand houses. The New Zealand gross Government debt of $174.583 billion would represent 232,777 houses.

TRADING PARTNER REAL GDP (calendar years)

	Annual average % change			
	2023	2024	2025	2026
Australia	2.0	1.3	2.2	2.4
China	5.2	5.0	4.8	4.5
United States	2.9	2.7	1.8	1.7
Japan	1.9	0.1	1.1	0.9
East Asia ex China	3.3	4.2	4.1	4.1
India	7.8	7.0	6.8	6.5
Euro Zone	0.4	0.6	1.5	1.5
United Kingdom	0.1	1.0	1.3	1.4
NZ trading partners	3.3	3.2	3.3	3.2
World	3.2	3.3	3.3	3.2

DEFENCE SPENDING (2023, US$)



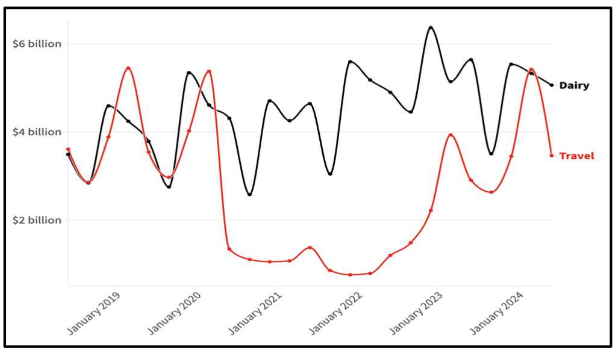
NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.41 million

NZ ECONOMY

On 9th October the Reserve Bank cut the official cash rate (OCR) by 50-basis points, taking it from 5.25% to 4.75%. Economic conditions are "chilly" right across the country, but a recovery in international tourism is one of the bright spots providing some optimism for the outlook. Some 1.8 million international tourists have visited New Zealand in the first seven months of this year, significantly ahead of the low point in the pandemic in 2021 when 187,000 people visited in the same period, but lagging behind the 2.2m visitors prior to the pandemic in 2019. Tourism was once the country's top export earner but slid behind dairy during the pandemic when borders were closed.

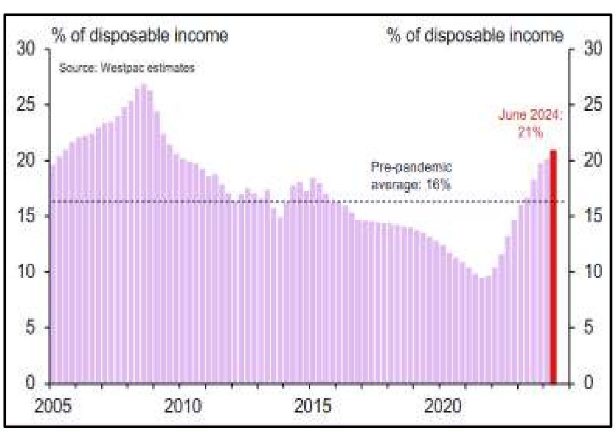
DAIRY VERSUS TRAVEL EXPORTS JUNE 2018 TO JUNE 2024



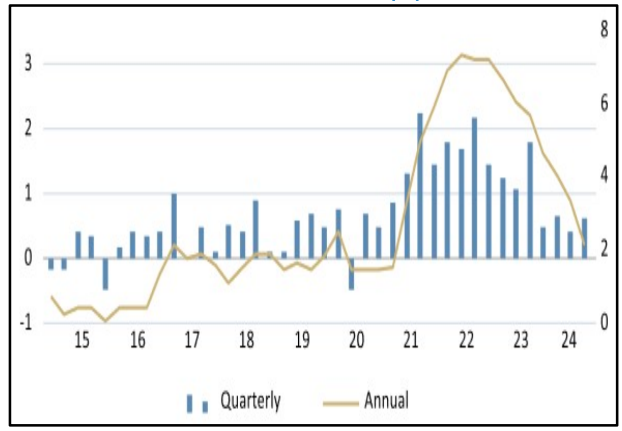
NEW ZEALAND GDP GROWTH RATE

NZ SPENDING ON INTEREST COSTS

HOUSEHOLDS WITH MORTGAGES



NZ CPI INFLATION (%)



The decline in inflation has again been led by plummeting tradeable inflation, which recorded an annual rate of -1.6%. Falling petrol prices were a key driver of the decline in tradeable inflation, with the removal of the Auckland regional fuel tax partly responsible for the decline alongside a decline in global oil prices. A rise in vegetable prices made the most significant positive contribution to quarterly tradeable inflation.

ANOTHER CHUNKY OCR CUT LIKELY IN NOVEMBER

With the New Zealand economy down in the dumps, clear evidence of fading inflation gives the Reserve Bank a strong reason to cut the Official Cash Rate (OCR) another 0.5% to 4.25% at its next meeting on 27 November. We won't see third-quarter gross domestic product data until December 19th, so we'll probably get gloomy headlines declaring another recession just in time for Christmas. But that will be old news. The third recession in this cycle of inflation and monetary policy tightening has likely already happened – with the economy shrinking in the second quarter and predicted to do so again in the third quarter.

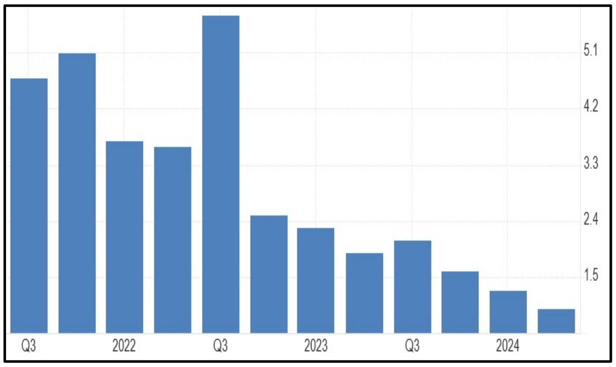
AUSTRALIAN ECONOMIC OUTLOOK

Population: 27.1 million

AUSTRALIAN ECONOMY

Australian Bank ownership has seen more buying by institutional Investors. Retail shareholders continue to be net sellers of banks, while both domestic and offshore institutions (broadly) remained net buyers in the last quarter. NAB's domestic institutional ownership is now record high (34.4%) and Westpac saw the largest quarterly rise in AU institutional ownership, while CBA and NAB's retail ownership are at record lows. If current trends broadly continue, super funds could own 35-40% of AU banks within 10 years (from ~27%).

AUSTRALIA – ANNUALISED GDP GROWTH RATE



EMPLOYMENT

The September labour force data confirms that Australia's labour market is very resilient. The unemployment rate remained at 4.1%, whilst monthly employment growth jumped to 64.1k, well ahead of Bloomberg market expectations of 25.2k. Employment growth on a quarterly basis accelerated through the September quarter, rising ~1.1% q/q, which suggests that the labour market is currently running at full capacity. It is worth noting, however, that whilst Australia's labour market is strong, it has been greatly supported by public sector/public dominated jobs - especially NDIS-related employment.

UNITED STATES ECONOMIC OUTLOOK

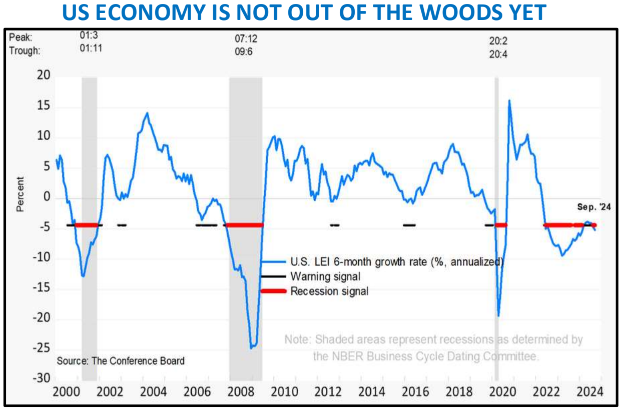
Population: 345.7 million

It is predicted that there are at least a further 11.7m undocumented (illegal) migrants in the US currently.

US ECONOMY

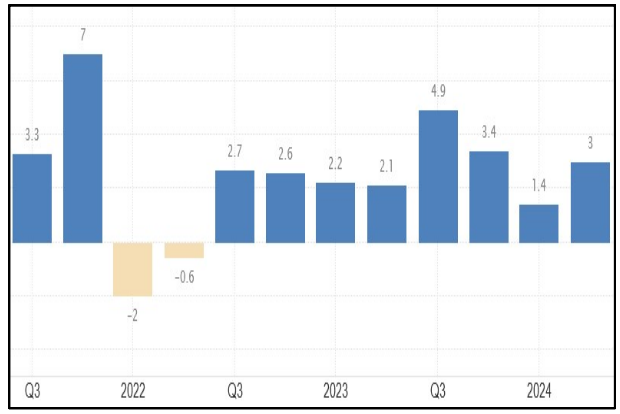
The latest update on the US economy is that real GDP increased by 3% in the second quarter of 2024, which is higher than the 1.4% growth in the first quarter. This growth was driven by a 2.8% increase in consumer spending and an 8.3% increase in business spending.

US ECONOMY IS NOT OUT OF THE WOODS YET



US economic data continues to surprise to the upside, revealing ongoing resilience despite looming uncertainties and persistent shocks. We are now expecting real GDP to expand by 2.5% year-on-year in 2024, an upward revision from 2.4%. Some moderate growth at yearend and early next year may constrain annual 2025 growth to 1.7% despite expectations of stronger quarterly annualized growth over the course of that year. Slowing inflation and a healthy labor market should support measured interest rate cuts over the course of the next year, lowering the Fed Funds rate target range to 3.00-3.25 percent in 2025.

UNITED STATES – ANNUALISED GDP GROWTH RATE



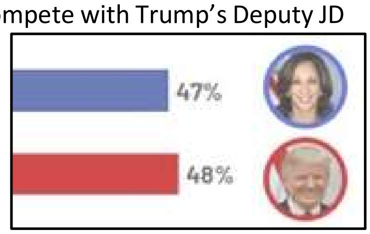
US INFLATION FALLS TO 2.4% IN SEPTEMBER

US inflation fell to 2.4% in September but still exceeded expectations, cementing expectations that the Federal Reserve will cut interest rates by a quarter-point at its next meeting in November.

5TH NOVEMBER ELECTION RESULT TOO CLOSE TO CALL

The election result is looking increasingly close. Democrats and Republicans are both guilty of spreading misinformation.

Karmala Harris got a good bounce after replacing Joe Bidden as the Candidate, but recent polling shows that she is now struggling to hold her advantage. Her Deputy Tim Walz has also struggled to compete with Trump's Deputy JD Vance.



Two weeks out, Harris and Trump are tied in the all-important "swing-states", according to the latest Ipsos Poll. But Democratic campaign strategists are now privately admitting that Harris is losing ground to Trump in the polls, particularly in Wisconsin and Michigan, as election day looms.

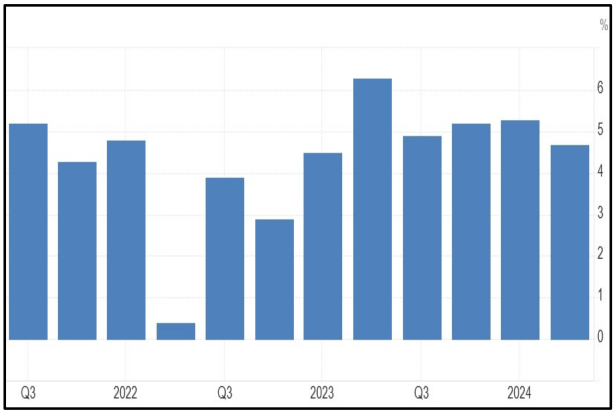
CHINESE ECONOMIC OUTLOOK

Population: 1.419 billion ↓

CHINESE ECONOMY

In the past 22 years, China has only missed its annual economic growth target once. With economic growth trailing expectations in the first three quarters of 2024, China taken strong intent in the form of both monetary and fiscal stimulus. This year is the Year of the Dragon – the auspicious Chinese zodiac year, apparently very positive for opportunities and advancement. But growth so far in 2024 has disappointed the market. China set a 5% GDP annual goal for 2024 and, in the second quarter, GDP grew at an annual rate of 4.7%. However, China limped through the second quarter with a 0.7% quarterly growth rate and, up until early October, a consensus of 67 economists had revised down growth to a 1.0% forecast for the third quarter. China was likely to miss its 5% goal.

CHINA – ANNUAL GDP GROWTH RATE



The reaction the stimulus programme has seen Chinese equity market rise by 25%. The iron ore price has jumped almost 20%, albeit from levels that were depressed by challenges of high port inventories and declining steel demand. Direct Australasian equity exposures to China reflation, such as BHP and A2 Milk, have seen 10+% moves in share prices as investors have likely unwound more negative views.

Despite these moves, reactivating Chinese growth could be a bumpy road. The fundamental structural headwinds in China are demographics and households' concern around the need to save (for everything). It remains unclear how large the fiscal package could be and what the lags might be in encouraging consumption growth.

What it means for New Zealand and Australia

A stronger Chinese economy has several transmission channels to New Zealand. It is obvious that this is likely to lead to stronger infant formula demand – from both stimulating the consumer, and payments to encourage families with two or more children. What may be less certain is how exports outside of dairy – especially timber, meat and tourism – will be affected.

The implications for Australia are also important, with stronger metal prices a positive factor for the Australian economy and, indirectly, New Zealand. The gain in iron ore is most interesting, as fundamentals have been weak, with stockpiles of the red metal higher than at similar times in recent years, coupled with declining demand for steel products – especially for the construction sector.

Unemployment

China is also concerned about unemployment, especially youth unemployment. It has introduced new guidelines to encourage high-quality employment. These include tax incentives for businesses, social security rebates, and tying employment conditions to the key performance indicators for government officials. Additionally, provinces with weak labour markets will receive earmarked funding to support job creation.

NZ & Australia put pressure on China

HMNZS Aotearoa transited the strait alongside an Australian destroyer last month, to signal to China that its claims to sole control of the waterway are invalid under international law. America makes the transit several times a year, despite condemnations from China, sometimes with allies such as Canada and Australia. But NZ hasn't made such a bold move since 2017.

New Zealand Prime Minister Christopher Luxon has downplayed the geopolitical significance of sending an NZ navy ship through the Taiwan Strait, but analysts aren't so dismissive saying that the sailing represents NZ's "prudent approach" to China. A Taiwanese University Professor said it's still important for Taiwan. "*We need more countries to put pressure on China and express that the Taiwan Strait is an international waterway, rather than China's border*."

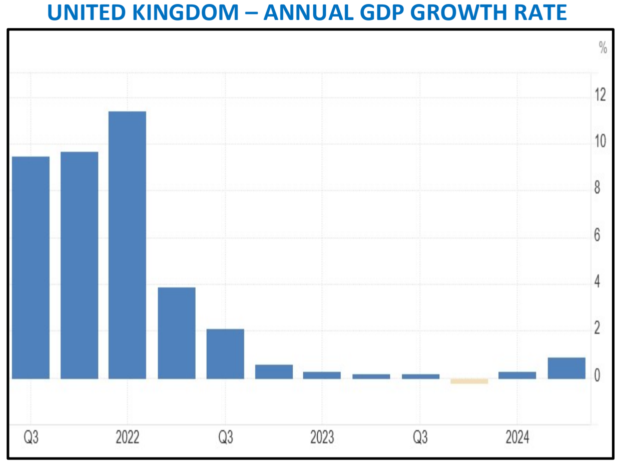
UNITED KINGDOM ECONOMIC OUTLOOK

Population: 69.2 million

UK Economy

The International Monetary Fund has raised its 2024 growth outlook for the United Kingdom, saying falls in both inflation and interest rates would boost domestic demand. This brighter outlook comes as the country braces for the first budget under the center-left Labour Party for 14 years. Prime Minister Keir Starmer has warned that the package will contain "tough" decisions in order to fill what he claims is a looming £22 billion financing shortfall — a figure disputed by his predecessors in the Conservative Party — after Labour committed to slash net borrowing. While Starmer has ruled out increases to some major taxes, including on income and corporations, a broader package of tax hikes is anticipated.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



The IMF now sees 1.1% growth for the U.K. economy this year, up from a July forecast of 0.7%. The agency also reiterated its forecast for a 1.5% expansion in 2025.

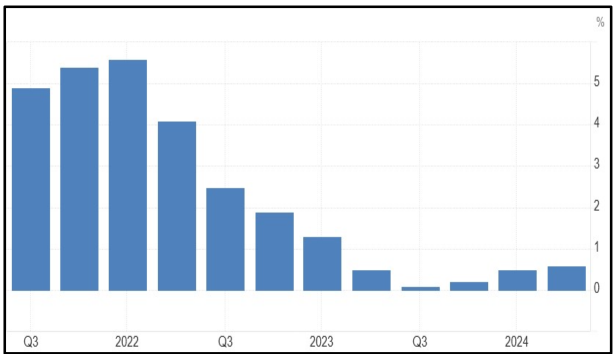
EUROZONE ECONOMIC OUTLOOK

POPULATION: 449.2 million

EU ECONOMY

The IMF trimmed its growth outlook for the euro zone in 2024 to 0.8% from 0.9%, forecasting stagnation in the bloc's biggest economy Germany.

EUROZONE – ANNUAL GDP GROWTH RATE



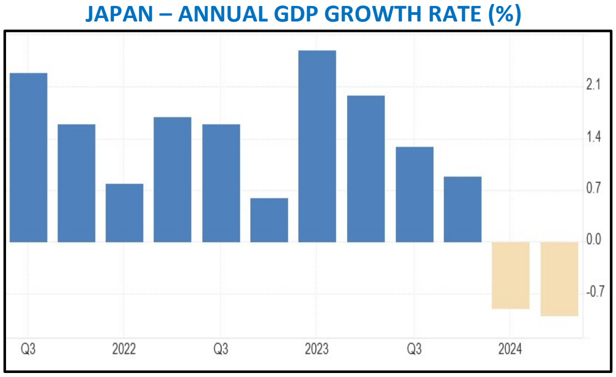
JAPAN'S ECONOMIC OUTLOOK

Population: 123.7 million

JAPANESE ECONOMY

The driver of Japan's economic growth is shifting from external to domestic demand. Although we can expect domestic demand growth to continue, gains will likely be modest as elevated inflation limits the benefits of stronger wage growth.

JAPAN – ANNUAL GDP GROWTH RATE (%)



The other major challenge to stronger consumer spending is that inflation continues to run hot. Headline inflation was up 3% from a year earlier in August, an acceleration from 2.7% in July. Costs of fresh food and energy have been particularly high, rising to 7.8% and 12%, respectively.

INDIA'S ECONOMIC OUTLOOK

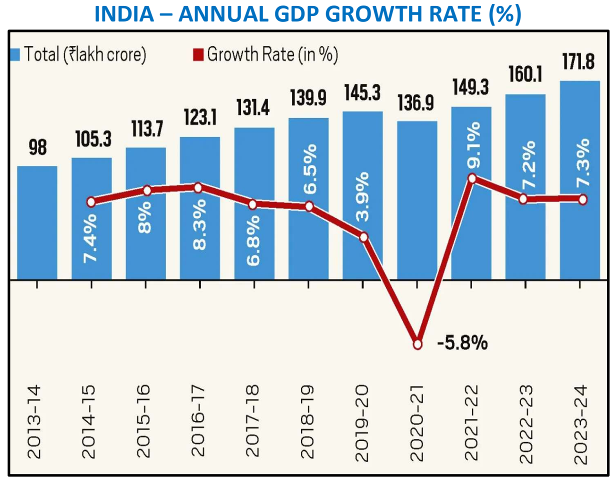
Population: 1.453 billion

India has now overtaken China as the highest population nation in the world.

INDIAN ECONOMY

India's economic outlook is for GDP growth to moderate from 8.2% in 2023 to 7% in 2024 and 6.5% in 2025, because pent-up demand accumulated during the pandemic has been exhausted, as the economy reconnects with its potential, according to the IMF Economic Outlook.

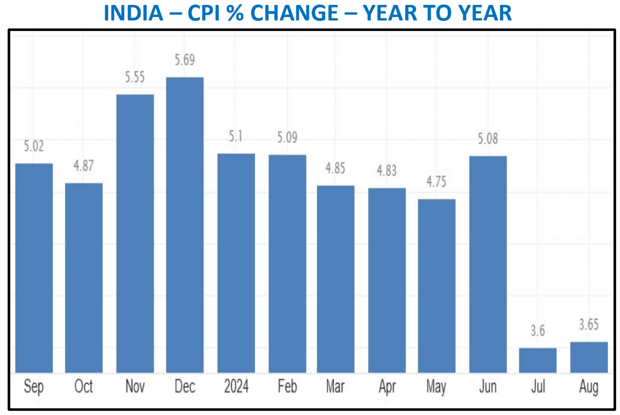
INDIA – ANNUAL GDP GROWTH RATE (%)



INFLATION

The Reserve Bank of India sees inflation easing after a few months of higher readings and expects it to average 4.5% in 2024-25, because it has changed its monetary policy stance to neutral and opened the door to rate cuts. The central bank's inflation target is at 4%.

INDIA – CPI % CHANGE – YEAR TO YEAR



MCCLAY BULLISH ON INDIA TRADE DEAL

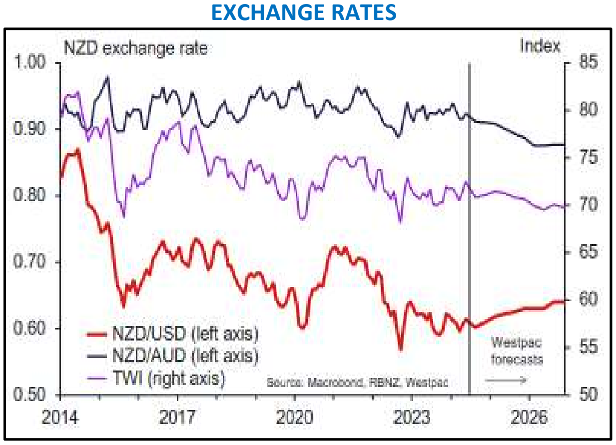
Trade Minister Todd McClay has ruled out pursuing sector-specific trade concessions from India as he battles to secure a deal before the next election, saying an agreement will not be worthwhile unless it is both comprehensive and commercially meaningful. McClay says Luxon has made clear the bilateral relationship was a strategic priority, and NZ will continue to invest heavily in it.

COMMODITIES

NZ/US DOLLAR EXCHANGE RATE

	Historical data				F'cast
	Spot	3mth range	5yr range	5yr avg	Dec-24
USD	0.608	0.586-0.636	0.555-0.743	0.645	0.62
AUD	0.906	0.897-0.925	0.873-0.992	0.929	0.90
EUR	0.559	0.542-0.569	0.517-0.637	0.581	0.56
GBP	0.466	0.456-0.476	0.456-0.535	0.502	0.47
JPY	90.9	86.1-94.9	61.3-98.6	80.9	88.0

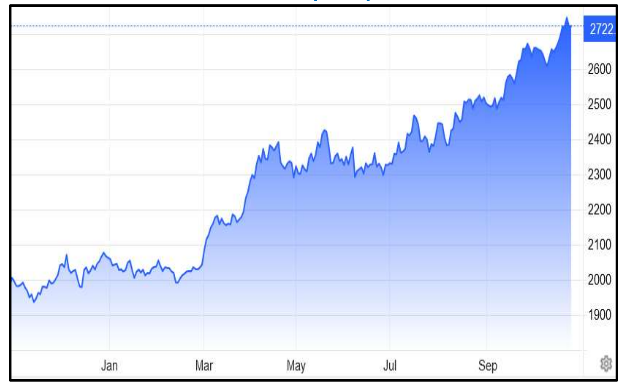
EXCHANGE RATES



GOLD

Gold reached a record high of US$2,750 last week, as a stronger U.S. dollar and rising Treasury yields outweighed the safe-haven demand sparked by the upcoming U.S. Election and ongoing Middle East conflict. The dollar index climbed 0.3%, making gold more expensive for non-dollar investors, while U.S. bond yields hit a three-month high. The benchmark 10-year Treasury yield surged to 4.25%, its highest since July, and has risen by 44 basis points in October alone. Ongoing concerns over the U.S. debt burden and election uncertainties continue to fuel market volatility. Despite this pullback, gold remains up over 31% this year, driven by last month's Federal Reserve rate cut and persistent safe-haven demand.

GOLD (5-YR)



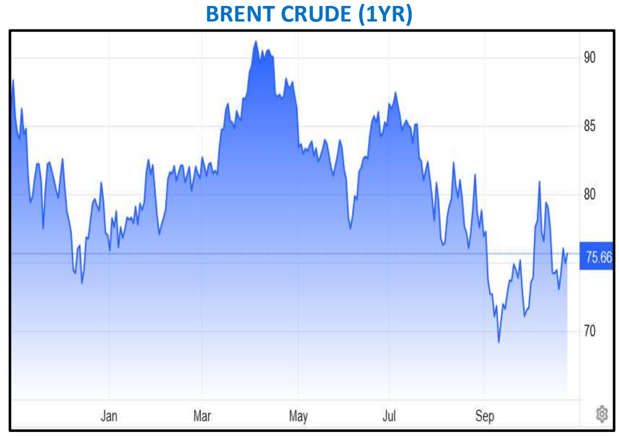
OIL – BRENT CRUDE

If we see the Middle East conflict escalate, this would risk a spiking of crude oil to up to US$200 per barrel.

However, Brent crude oil futures steadied around US$71.8 per barrel at month's end, as the higher risk premiums from rising tensions in the Middle East was offset by expectations of increased supply. Escalating tensions between Israel and Hezbollah in Lebanon raise the risk of Iran, a key OPEC oil producer that supports Hezbollah, becoming directly involved in the conflict, potentially disrupting oil exports from the region.

OPEC's impending plans to hike production later this year limited gains. Libya is also set to resume oil production after about a month of halt as the political dispute eases. Additionally, lingering concerns from top crude importer China are pressuring prices, following official data showing manufacturing contraction for the fifth consecutive month and a slowdown in the service sector. Markets continue to assess the impact of China's recent monetary stimulus measures aimed at boosting activity and lifting demand.

BRENT CRUDE (1YR)



NOTE: New Zealand trades in Brent Crude Oil

"When men are employed they are best contented"
Benjamin Franklin



DAIRY INDUSTRY WILL HELP RURAL & PROVINCIAL COMMUNITIES

Source: Farmers Weekly, 11-Oct-24

In recent seasons, dairy farmers have faced significant challenges including high interest rates, soaring input costs, and unexpected drops in milk prices. However, there is now optimism on the horizon from multiple fronts.

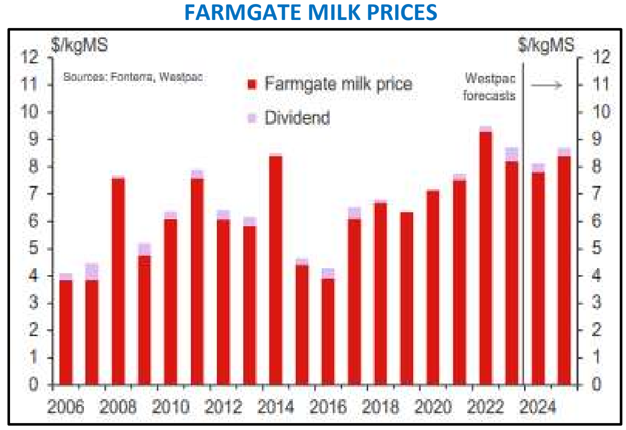
Fonterra has raised its midpoint forecast for milk prices to $9 per kgMS, up by 50 cents from August, and announced a special dividend of 55 cents per share for suppliers. This, combined with DairyNZ's update estimating total sector revenue at $16.36 billion, indicates a positive trend. Looking ahead, the average payout for the season is expected to rise to $9.18 per kgMS, boosting total revenue to around $17 billion and injecting an additional $640 million directly into the sector.

This increase in revenue is expected to stimulate spending among farmers, which will in turn bolster related industries such as agricultural supplies, processing, and transportation. Economically, this surge is projected to generate between $1.4 billion and $1.7 billion in overall economic activity across New Zealand, underscoring dairy's pivotal role in the country's economy, especially during periods of slower growth.

Despite these gains, challenges remain, including weather impacts like extreme wet weather in parts of the South Island, which has affected farming operations and infrastructure. The recent 50 basis point cut in the OCR to 4.75% offers additional relief, reducing borrowing costs and potentially increasing discretionary income for farmers this season, with further benefits expected in subsequent years.

While cautious about potential changes in international markets and local weather conditions, the overall outlook is markedly more positive than in recent months. This turnaround is a beacon of hope for dairy farmers and promises broader economic benefits for New Zealand as a whole.

FARMGATE MILK PRICES



Cattle

Beef

Slaughter price (NZ$/kgCW)	Last week	Last year
North Island P2 steer (300kg)	6.85	6.15
North Island M2 bull (300kg)	7.05	6.15
North Island M cow (190kg)	5.35	4.00
South Island P2 steer (300kg)	6.70	5.75
South Island M2 bull (300kg)	6.65	5.55
South Island M cow (190kg)	5.10	4.00
Export markets (NZ$/kg)		
US imported 95CL bull	10.70	9.42
US domestic 90CL cow	12.99	10.65

NOTE: Slaughter values are weighted average gross operating prices including premiums but excluding breed premiums for cattle.

Sheep

Sheep Meat

Slaughter price (NZ$/kgCW)	Last week	Last year
North Island lamb (18kg)	7.90	6.90
North Island mutton (25kg)	3.80	3.15
South Island lamb (18kg)	8.10	7.00
South Island mutton (25kg)	3.70	3.15
Export markets (NZ$/kg)		
China lamb flaps	9.41	9.26

Wool

(NZ$/kg clean)	18-Sep	Last year
Crossbred fleece	3.44	3.48
Crossbred second shear	3.26	3.15

Courtesy of www.fusca.co.nz

NEW ZEALAND EQUITIES

NZ RETIREMENT VILLAGE SECTOR

10-OCTOBER-2024

RYMAN HEALTHCARE (RYM) NEUTRAL

RYM's experience highlights skewed metrics and limited visibility is a dangerous mix. There are a number of issues with statutory profitability. However, the combination of underlying profit (dominated by an overstated development margin and initial post development ramp-up in deferred management fee (DMF revenue accentuated by accrual periods that may have been too short) and insufficient visibility on a broad set of key value and risk drivers has had unintended consequences highlighted in RYM's valuation rebasing, with two forces combining: insufficient market visibility in a complex development-heavy business with high gearing and increasingly aggressive decisions on the wrong internal/external metrics. This is why Jarden remains focused on disclosure. Fortunately, over the past 12 months, they have seen significant improvement in disclosure, led by RYM.

VALUATION METHODOLOGY AND RISKS

RYM: Our DCF-based 12-month target price for RYM is unchanged at $5.03 and we retain our Neutral rating but note an investment case that continues to present considerable uncertainty - some of it reflective of sector issues and some of it RYM specific. Key upside catalysts include better development outcomes, together with resolution on capital structure/growth direction. Downside risks include regulatory change, cash generation at a more subdued refinancing margin as assets age, investment requirements and changes in resident preferences.

SUMMERSET GROUP (SUM) NEUTRAL

Jarden's DCF-based 12-month target price for SUM is unchanged at $12.86 and they retain their Neutral rating. Jarden sees as upside risks SUM's generally lower risk approach to development (although they note very large bare land exposure). SUM also has relatively the most favourable asset mix - evident in the direction of its peers to a reduced emphasis in assisted living. Downside risks include cash generation at a more subdued refinancing margin as assets age, investment requirements and changes in resident preferences.

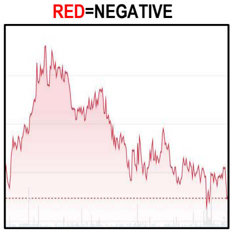
NZ RETIREMENT VILLAGE SECTOR

Key Financial metrics	RATING	Price 10-Oct-24	12mth Target Price	Projected Return	Price /Earnings	Dividend Yield
Ryman Healthcare	Neutral	$4.85	$5.03	3.6%	$11.50	0.0%
Summerset Group	Neutral	$12.35	$12.86	6.1%	$14.80	2.0%

STOCKS TO WATCH NEW ZEALAND

PRICES AS AT 25TH OCTOBER 2024

ALL GRAPHS ARE ONE YEAR
GREEN=POSITIVE
RED=NEGATIVE



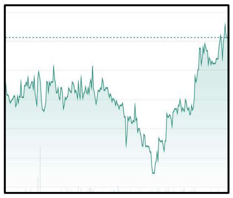
AUCKLAND INTERNATIONAL AIRPORT

Research: 13h October

With the NZ Commerce Commission's draft PSE4 pricing report clearly supportive of AIA's planned $6.6b aeronautical investment programme and capex set to ramp through the remainder of PSE4, AIA has now completed a $1.4b equity raise to support that investment. To date, the capex spend has been somewhat slower than AIA's original forecasts, however, the company remains confident in the overall spend profile. The size of the raise gives AIA clear balance sheet capacity, providing the company with confidence to sign further construction contracts. In parallel with the equity raise, AIA announced it has signed an ~$800m contract to manage the construction and delivery of the domestic jet terminal building - part of the overall $2.2b domestic jet terminal project including airfield, baggage system and associated works. Our forecasts, which assume ~$600m of aeronautical capex is delayed into PSE5, show FFO/net debt troughing at ~19% (3-year average FFO basis modestly above the ~18% seen prior to COVID and well above AIA's A- credit rating threshold of 11%.The raise does provide some scope for AIA to explore Till 2 opportunities, however, near-term construction is clearly focused on the aeronautical programme following the completion of the Manawa Bay retail and Park & Ride South, and with the Transport Hub set to complete in late 2024. Jarden sees AIA as a high-quality asset with a unique position as NZ's largest airport operator, which has seen it generate meaningful returns over a sustained period, most notably in the unregulated parts of the business.

2025 P/E: 39.1 2026 P/E: 31.4

NZX Code:	AIA
Share Price:	$7.25
12mth Target: ↑	$8.21
Projected return (%)	
Capital gain	13.2%
Dividend yield (Net)	1.9%
Total return	15.1%
Rating: OVERWEIGHT	
52-week price range: 7.07-8.80	

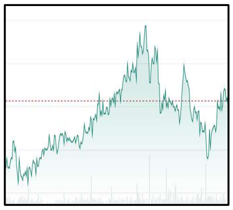


BRISCOE GROUP — Research: 12h September

BGP's 1H25 result contained little surprise, having been largely pre-released. BGP delivered a robust result in a difficult trading period, which can be largely characterised by good execution on the controllables. 1H25 sales increased +0.8% y/y, with positive growth in both Homeware (+0.3%) and Rebel Sport (+1.6%), outperforming broader New Zealand retail activity and taking share in the respective segments. Rebel Sport delivered a particularly strong result, with its expanded range resonating well with consumers.
2025 P/E: 13.5 2026 P/E: 13.2

NZX Code:	**BGP**
Share Price:	**$5.03**
12mth Target:	**$5.20**
Projected return (%)	
Capital gain	3.4%
Dividend yield (Net)	5.9%
Total return	**9.3%**

Rating: **OVERWEIGHT**
52-week price range: 3.85-5.22

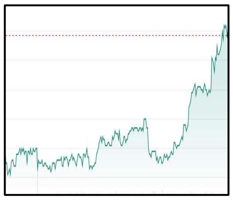


CONTACT ENERGY — Research: 16h October

CEN's September month operating statistics imply an EBITDA of $89m, up $42m on pcp. The company traded well through to end-September, with Tauhara running at 150MW (not in the pcp) and having sold expensive CFDs off the back of the extra gas that it procured, this more than offsetting the lower hydro and higher cost of purchased generation. The three months to September EBITDA up $79m on pcp to $250m. 1QFY25 Hydro generation was down 33GWh, wholesale price up 146% at $302/MWh: The extra 294GWh on pcp of geothermal assisting profit growth.
2025 P/E: 21.8 2026 P/E: 22.4

NZX Code:	**CEN**
Share Price:	**$8.59**
12mth Target: ↑	**$10.79**
Projected return (%)	
Capital gain	14.0%
Dividend yield (Net)	4.7%
Total return	**18.7%**

Rating: **BUY**
52-week price range: 7.50-9.43

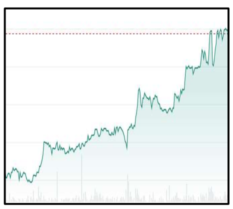


CHANNEL INFRASTRUCURE — Research: 2nd October

CH has entered into a conditional agreement with Seadra to investigate siting a sustainable aviation fuel biorefinery plant on the Marsden Point site, for a consortium of Qantas, ANZ, Kent Plc and Renova Inc. CHI expects the consortium to reach final investment decision in 2H 2025. Seadra already had an option to purchase CHI's decommissioned hydrocracker - this is now extended from 30-Sep-24 to 31-Jul-25. CHI will reveal more about the project as part of its investor tour on 24-Oct. While the opportunity is attractive, for now we regard this project as having only an even chance of proceeding because the process hasn't yet been operated at commercial scale.
2024 P/E: 22.3 2025 P/E: 19.0

NZX Code:	**CHI**
Share Price:	**$1.89**
12mth Target:	**$1.74**
Projected return (%)	
Capital gain	-7.7%
Dividend yield (Net)	7.2%
Total return	**-0.5%**

Rating: **NEUTRAL**
52-week price range: 1.39-1.94



FONTERRA SHAREHOLDERS' FUND — Research: 26h September

Solid FY24 result with normalised EPS at NZ71c from NZ80c in FY23 despite a big reduction in stream benefits in FY24 (~NZ12c vs NZ40c), noting FY23 incorporated significant impairments that weren't normalised. FY25F guidance of NZ40-60c sits above our ingoing NZ46.4c and is net of increased IT & digital transformation costs (should come down over FY26/FY27F) and a change in approach to tax which will see FSF pay tax on earnings/impute dividends vs prior deductions for dividends on supply-backed shares. In short, the upgrade cycle continues with FY25F earnings guidance in line with 2021 LTA guidance (albeit on a 5-7% higher effective tax rate) following two years of above trend earnings. We expect FY25F EBIT broadly in line with the FY30F target FSF set three years ago ~NZ$1.4bn.
2025 P/E: 2026 P/E:

NZX Code:	**FSF**
Share Price:	**$4.97**
12mth Target:	**$4.57**
Projected return (%)	
Capital gain	-8.0%
Dividend yield (Net)	2.8%
Total return	**-5.2%**

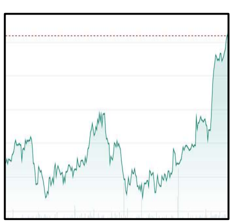
Rating: **OVERWEIGHT**
52-week price range: 2.95-5.05

GENESIS ENERGY — Research: 9th October

GNE's hydro storage is worth more over time and with the growth in its renewable PPA purchases and associate solar generation, Jarden believes it remains well positioned to monetise its excess thermal capacity over time. GNE announced that it has agreed to purchase a 65% stake in ChargeNet for $64m. GNE has been linked with ChargeNet for some time as it offers its retail customers the use of ChargeNet stations at their home pricing, this a material saving to EV drivers that depend on away from home charging. GNS has retained its FY25 EBITDAF guidance at $460m; Jarden sees this as a positive announcement as it is retained despite the extra gas contracted recently, at elevated gas pricing, and the retracement in electricity wholesale prices.
2025 P/E: 27.0 2026 P/E:

NZX Code:	**GNE**
Share Price:	**$2.11**
12mth Target:	**$3.00**
Projected return (%)	
Capital gain	42.2%
Dividend yield (Net)	7.0%
Total return	49.2%

Rating: **BUY**
52-week price range: 2.05-5.60

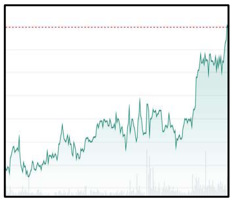


HALLENSTEIN GLASSON HOLDINGS — Research: 29th September

HLG delivered strong FY24 results as its product resonated well with consumers. Group sales increased +6% y/y against a difficult backdrop, with momentum accelerating in 2H24. The strong result was led by Australia and although New Zealand was comparatively softer, it still gained share, outperforming broader apparel sales in that market. The eight-week FY25 trading update showed continued positive sales momentum, tracking +11% ahead of the pcp, although commentary indicated New Zealand continues to lag, noting the group is also cycling a weak comp when sales were down -6%. Australia remains the highlight within the group, with 2H24 sales growth accelerating to +26% y/y. Expect positive, albeit moderating, momentum to continue, with a continued strong dividend yield.
2025 P/E: 9.6 2026 P/E: 9.1

NZX Code:	**HLG**
Share Price:	**$7.59**
12mth Target:	**$7.05**
Projected return (%)	
Capital gain	-7.1%
Dividend yield (Net)	9.4%
Total return	**2.3%**

Rating: **OVERWEIGHT**
52-week price range: 5.10-7.60



INFRATIL Research: 3rd October

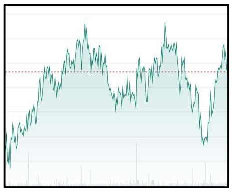
IFT's latest quarterly independent valuation for its CDC stake indicated a 409MW uplift to the data centre operator's development pipeline out to FY34 (now 2,296MW), citing a "continued high level of interest from customers, resulting in the advancement of customer discussions for capacity across all regions in which CDC operates", with growth focused in Melbourne (+315MW) and Auckland (+84MW), mainly for AI loads. No new data centre expansions have reached FID yet and EBITDA guidance is unchanged but IFT has updated its guidance for its equity contributions to CDC over the next 2-3 years to ~A$700m (+A$100m above previous guidance), reflecting the likelihood of more projects reaching FID over that period.

2025 P/E: 639 2026P/E: 161

NZX Code:	**IFT**
Share Price:	**$13.06**
12mth Target:	↑ **$12.70**
Projected return (%)	
Capital gain	-2.8%
Dividend yield (Net)	1.7%
Total return	**-1.1%**

Rating: **OVERWEIGHT**

52-week price range: 9.72-13.34



MERCURY ENERGY Research: 9th October

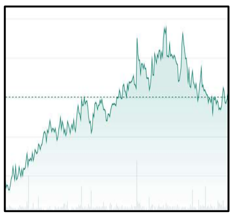
MCY had been generating hard to end-August when wholesale prices were elevated. At its FY24results presentation, the FY25 EBITDA guidance of $820m assumed a c.$80m cost to refill the lakes as well as including no trading profits. With the lakes having filled more quickly than expected, Jarden estimates the company's risk mitigation costs have reduced substantially and they have lifted their FY25 EBITDA forecast from $822m to $844m - current company guidance is $820m.

2025 P/E: 50.2 2026P/E:

NZX Code:	**MCY**
Share Price:	**$6.68**
12mth Target:	**$7.50**
Projected return (%)	
Capital gain	12.4%
Dividend yield (Net)	3.7%
Total return	**16.1%**

Rating: **OVERWEIGHT**

52-week price range: 5.66-7.25



MERIDIAN ENERGY Research: 14th October

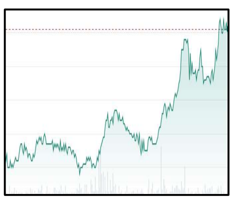
MEL's trading through to September has been heavily impacted by risk mitigation costs to cover for the dry few months to mid-August. MEL had scrambled to cover the drought conditions, contracting off CEN for the August to October period, paying up for normal and extra demand response from Tiwai as well as signing up for GNE's Huntly Firming Options, impacting from October. Having paid elevated prices for risk cover at the height of the drought and with wholesale prices having retraced, the losses on the risk mitigation are exacerbated. September EBITDA c. -$2m, down $78m on pcp, this after Tiwai paying them c.$10m extra per month for the Smelter load. The quarter to September is $105m, down $151m on the pcp's $252m EBITDA. Jarden has reduced their FY25E EBITDA from $956m to $906m, this c.$225-240m behind a normal hydro and risk adjusted year.

2025 P/E: 57.2 2026 P/E: 35.8

NZX Code:	**MEL**
Share Price:	**$5.96**
12mth Target:	↑ **$6.37**
Projected return (%)	
Capital gain	7.0%
Dividend yield (Net)	3.9%
Total return	**10.9%**

Rating: **NEUTRAL**

52-week price range: 4.76-6.89



NZX Research: 13th October

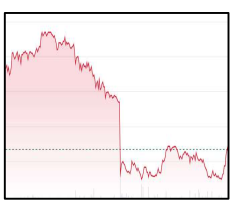
NZX has announced an increase in its FY24 normalised EBITDA guidance from $40.0-44.5m ("upper end") to $45.0-49.0m. While the company noted strong performances across all business lines, our review of recent monthly operating statistics suggests that the key contributors were the Markets and Smartshares (now "Smart") segments. • Markets: NZX cited stronger-than-expected levels of capital issuance in September 2024 driving issuance, trading and clearing revenues. Additionally, Jarden highlights that NZX equity market indices are up ~9% since 30 June, partly reflecting a lower interest rate outlook. • Smart has seen total FUM lift to $12.6b at 30 September, up ~6% since 30 June. NZX continues to see strong inflows linked to the product and distribution agreement with the Quay Street vendor and has also seen some benefit from market returns. • Wealth Tech: Funds under administration (FUA) have also lifted faster than NZX's earlier expectations, adding 10% since June.

2025 P/E: 26.6 2026 P/E: 25.1

NZX Code:	**NZX**
Share Price:	**$1.41**
12mth Target:	**$1.61**
Projected return (%)	
Capital gain	14.2%
Dividend yield (Net)	4.3%
Total return	**18.5%**

Rating: **OVERWEIGHT**

52-week price range: 0.97-1.45



TOURISM HOLDINGS Research: 8th October

THL chief executive Grant Webster did his best to sound upbeat at the company's annual meeting after a horror year for shareholders in which the value of their shares has almost halved in value since the start of the year. It has been a very public fall from grace in recent years for the country's largest tourism operator after once boasting a share price north of $8 in 2018. Jarden attended a site visit to THL's North American head office in Santa Fe Springs, Los Angeles, which includes a large rental, sales and servicing depot. The site occupies a prominent position with signage immediately next to one of the busiest freeways in the US (management advising 1.2m vehicles passing per day). The focus was on the operational side of the business and the opportunities to leverage the US and Canada synergies previously highlighted. There was no discussion of recent trading ahead of the ASM next week. Their discussions over recent days suggest some signs of improvement in US sentiment, with a declining interest rate outlook which should lift consumer confidence (and vehicle purchases) in time. As noted at the recent result, management for US and Canada has shifted to a consolidated focus under a highly experienced leader (previously Australia based), with new leadership on sales and marketing.

2025 P/E: 7.6 20265 P/E: 6.0

NZX Code:	**THL**
Share Price:	**$2.19**
12mth Target:	**$4.38**
Projected return (%)	
Capital gain	100.0%
Dividend yield (Net)	5.1%
Total return	**105.1%**

Rating: **BUY**

52-week price range: 1.70-3.88

JARDEN'S NEW ZEALAND WATCH LIST

AS AT 23rd OCTOBER 2024

New Zealand Watch List as at 23-October-2024	Ticker	Close	Monthly % Change	Annual % Change	Jarden Rating	Jarden Target
Auckland Int. Airport	AIA	7.40	3.57%	-1.20%	OVERWEIGHT	8.01
Air New Zealand	AIR	0.54	0.93%	-15.66%	NEUTRAL	0.57
A2 Milk Company	ATM	6.55	11.97%	49.54%	OVERWEIGHT	6.86
Contact Energy	CEN	8.69	6.63%	16.03%	BUY	9.85
Channel Infrastructure	CHI	1.91	12.35%	37.80%	OVERWEIGHT	1.90
Chorus	CNU	8.88	-0.22%	25.17%	UNDERWEIGHT	8.09
Ebos Group	EBO	36.54	-1.91%	10.81%	NEUTRAL	39.42
Fletcher Building	FBU	3.13	11.76%	-25.41%	NEUTRAL	2.98
Fisher & Paykel Healthcare	FPH	37.20	1.75%	83.63%	UNDERWEIGHT	33.40
Freightways	FRW	9.75	8.82%	24.75%	NEUTRAL	9.97
Heartland Group	HGH	1.04	1.96%	-30.91%	OVERWEIGHT	1.33
Infratil	IFT	12.65	3.27%	28.63%	OVERWEIGHT	12.81
Mercury	MCY	6.80	13.52%	21.28%	NEUTRAL	6.94
Meridian Energy	MEL	5.94	-2.14%	27.35%	NEUTRAL	6.71
Mainfreight	MFT	72.99	1.80%	22.85%	OVERWEIGHT	79.27
Oceania Healthcare	OCA	0.78	1.30%	9.86%	NEUTRAL	0.92
Port of Tauranga	POT	5.90	3.33%	9.47%	NEUTRAL	6.09
Ryman Healthcare	RYM	4.82	8.31%	-16.75%	NEUTRAL	6.09
Scales Corporation	SCL	3.83	7.58%	21.65%	OVERWEIGHT	4.02
Sky City Entertainment	SKC	1.35	-0.74%	-27.40%	OVERWEIGHT	1.72
Skellerup	SKL	4.68	8.87%	4.86%	OVERWEIGHT	5.02
Spark	SPK	2.98	-9.15%	-35.04%	OVERWEIGHT	4.31
Summerset Group	SUM	12.23	6.26%	28.16%	NEUTRAL	13.77
Tourism Holdings	THL	1.94	2.11%	-40.57%	BUY	2.81
Vector	VCT	3.81	-0.26%	5.31%	OVERWEIGHT	4.13

THE CASE FOR A GLOBALLY DIVERSIFIED PORTFOLIO

Investing globally versus locally is a strategic decision that involves weighing various factors, from potential returns to risk diversification.

REASONS TO CONSIDER GLOBAL INVESTING INCLUDE:

- HIGHER POTENTIAL RETURNS
  - Global indices like the All-Country World Index and Nasdaq have historically delivered higher returns compared to local indices like NZX50. For instance, the Nasdaq has shown annual returns of 17.3% over the past decade in NZD, outperforming the NZX50.
- DIVERSIFICATION BENEFITS
  - Diversifying globally helps reduce the risk associated with events that could specifically impact the New Zealand economy, such as natural disasters or sector-specific issues like biosecurity threats (e.g., foot-and-mouth disease affecting dairy exports).
- SECTOR DIVERSIFICATION
  - Global markets offer exposure to a broader range of sectors, such as information technology, which is dominant in indices like the S&P500 but represents a smaller portion on the NZX. This diversification can mitigate risks associated with sector-specific downturns.
- LIQUIDITY AND ACCESSIBILITY
  - Global markets generally offer greater liquidity, making it easier to buy and sell shares. This liquidity can be beneficial, especially during volatile market conditions.
- CURRENCY EXPOSURE AND HEDGING
  - Investing globally introduces currency risk, which can impact returns when converted back into NZD. However, strategies like currency hedging can mitigate this risk to some extent.

CHALLENGES OF GLOBAL INVESTING:

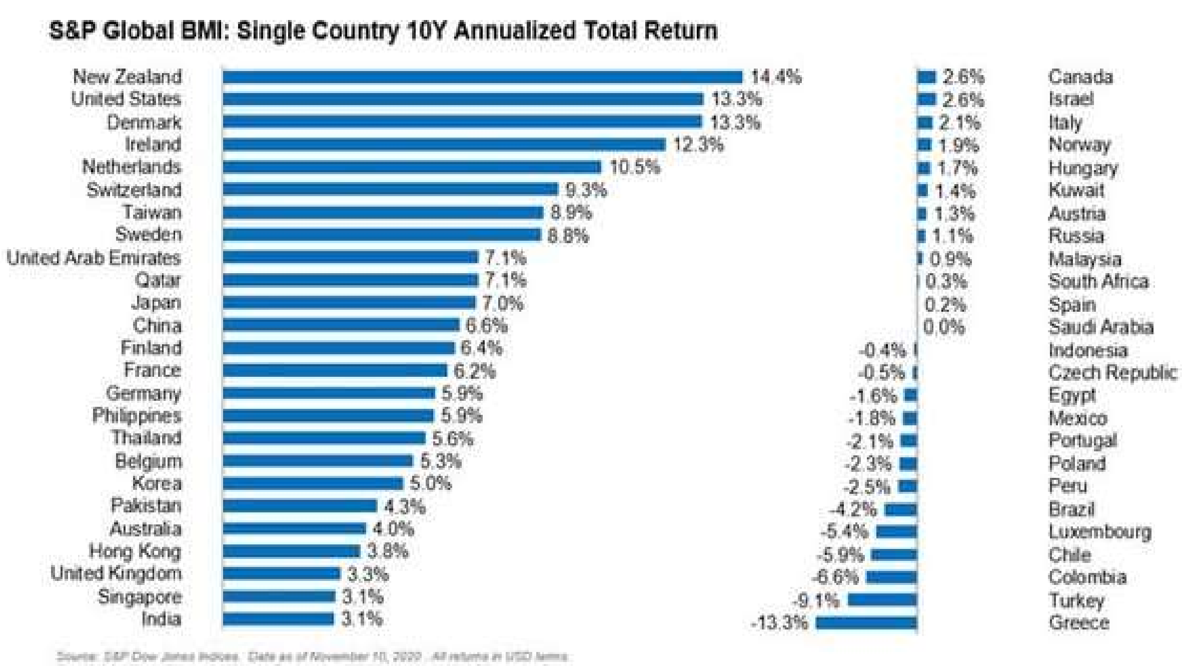
- COMPLEXITY
  - Managing investments in overseas markets involves complexities such as understanding tax implications (e.g., Foreign Investment Fund rules) and deciding on the optimal way to hold assets (direct ownership vs. funds).
- COSTS AND FEES
  - Depending on the approach taken (e.g., actively managed funds vs. passive index funds), global investing may involve higher costs and fees, which can affect net returns.
- LOCAL ECONOMIC IMPACT
  - There's a consideration that investing globally could divert capital away from local companies and potentially impact the local economy's growth and job creation.

STRATEGIC RECOMMENDATIONS:

- DIVERSIFICATION STRATEGY: Consider incorporating global exposure alongside local investments to diversify risk and potentially enhance long-term returns.
- INVESTMENT VEHICLES: Low-cost index funds that provide diversified global exposure can be a practical starting point for investors looking to enter international markets with reduced complexity.
- FINANCIAL ADVICE: Given the complexities involved, seeking advice from financial and tax professionals is crucial to navigate issues like currency risk, tax implications, and optimal investment strategies.

In summary, while global investing offers opportunities for higher returns and risk diversification, it requires careful consideration of various factors to align with your investment goals, risk tolerance, and overall financial strategy.

NOTE: From 2010 to 2020 The New Zealand Sharemarket outperformed the globe



JARDEN'S AUSTRALIAN WATCH LIST

AS AT 23RD OCTOBER 2024

AUSTRALIA Watch List as at 23-October-2024	Ticker	Close (A$)	Monthly % Change	Annual % Change	Jarden/Cons Target (A$)
Aristocrat Leisure	ALL.AU	57.94	0.56%	50.69%	56.40
ALS	ALQ.AU	14.07	1.52%	31.21%	14.86
ANZ Banking Group	ANZ.AU	31.25	-2.01%	32.25%	28.36
ASX	ASX.AU	66.93	6.93%	27.21%	60.92
BHP Billiton*	BHP.AU	42.14	4.46%	0.00%	45.61
Commonwealth Bank of Aust.	CBA.AU	141.23	-2.26%	48.38%	99.48
CSL	CSL.AU	294.13	0.17%	27.91%	318.36
Corporate Travel	CTD.AU	11.88	-2.38%	-26.62%	14.59
Cleanaway Waste Managemt	CWY.AU	2.88	-1.03%	24.81%	3.08
IGO	IGO.AU	5.26	5.20%	-49.77%	6.10
Magellan Financial Group	MFG.AU	11.15	16.02%	85.15%	9.81
National Australia Bank	NAB.AU	38.58	-2.75%	42.12%	32.82
NEXTDC	NXT.AU	17.23	2.56%	44.25%	19.32
QBE Insurance Group	QBE.AU	17.16	2.88%	14.72%	19.02
Rio Tinto*	RIO.AU	118.15	4.54%	9.01%	133.69
Resmed	RMD.AU	35.93	1.55%	60.22%	38.12
South32*	S32.AU	3.62	13.13%	9.19%	3.82
Seek	SEK.AU	25.07	3.38%	15.69%	24.20
Transurban Group	TCL.AU	13.05	-3.55%	14.29%	NULL
Telstra Group*	TLS.AU	3.84	-3.27%	5.56%	4.19
Woodside Energy	WDS.AU	24.61	-0.65%	-27.38%	30.69
Wesfarmers	WES.AU	69.55	-2.34%	39.68%	64.78
Worley*	WOR.AU	14.56	-0.14%	-11.74%	17.74
Woolworths	WOW.AU	32.54	-6.98%	-7.17%	36.31
Xero	XRO.AU	147.89	-1.44%	35.00%	156.01

Note: Prices shown in local currency, Source: Thomson Reuters, Jarden. *Target price reflects consensus.

JARDEN'S GLOBAL EQUITY WATCH LIST

AS AT 22ND OCTOBER 2024

Global Equity Watch List as at 22 October 2024	Ticker	22/10/24 Close	26/9/24 Close	Monthly % Change	Annual % Change	12-month Target
Tencent Holdings	**700.HK**	421.00	430.00	8.34%	45.68%	494.72
Apple	**AAPL.US**	236	226	3.63%	36.79%	240.78
Air Liquide	**AI.FP**	171.88	174.20	2.48%	23.88%	185.24
Amazon	**AMZN.US**	189.07	192.53	-1.32%	51.05%	218.90
Amphenol	**APH.US**	66.87	65.36	1.46%	67.47%	72.60
ASML	**ASML.NA**	657.60	759.80	-8.25%	20.20%	855.35
BP	**BP/.LN**	4.05	3.84	-1.15%	-25.77%	5.06
Berkshire Hathaway	**BRK/B.US**	464.16	452.36	1.94%	38.20%	516.50
Citigroup	**C.US**	61.83	60.38	-0.50%	55.82%	73.22
Disney	**DIS.US**	96.62	93.92	3.06%	16.90%	110.82
Alphabet	**GOOGL.US**	164.07	161.49	0.29%	21.00%	200.20
Hershey Foods	**HSY.US**	184.67	191.00	-5.51%	-3.28%	196.96
JPMorgan	**JPM.US**	223.00	210.19	5.64%	56.00%	227.03
Lululemon	**LULU.US**	297.74	259.74	13.38%	-24.78%	314.99
MasterCard	**MA.US**	515.01	489.45	4.52%	33.97%	530.07
LVMH	**MC.FR**	611.00	678.50	3.23%	-7.98%	713.00
Morgan Stanley	**MS.US**	118.28	102.34	15.43%	61.74%	113.66
Microsoft	**MSFT.US**	418.78	432.11	-3.79%	28.20%	495.97
Nike Inc	**NKE.US**	81.48	88.00	-5.83%	-20.64%	91.91
NVIDIA	**NVDA.US**	143.71	123.51	23.89%	247.23%	149.03
Schneider Electric	**SU.FP**	243.30	244.55	3.89%	72.02%	240.83
Tesla	**TSLA.US**	218.85	257.02	-8.14%	3.24%	210.94
United Health	**UNH.US**	571.47	576.31	-0.61%	8.43%	622.60
Visa	**V.US**	286.85	269.63	0.73%	22.91%	311.01
Volkswagen	**VOW3.GE**	91.04	95.02	0.24%	-11.73%	119.54

Source: Thompson Reuters, Jarden. Change calculuations incorporate dividends. Target Prices represent consensus

Source: Thomson Reuters, Jarden

Source: Thomson Reuters, Jarden

JARDEN'S INVESTMENT TRUST WATCH LIST

AS AT 21ST OCTOBER 2024

Investment Trust Watch List as at 21 October 2024	Ticker	21/10/24 Close	26/9/24 Close	Annual % Change
Schroder Asian Total Return	ATR	4.85	4.78	23.10%
Baillie Gifford Japan Trust	BGFD	7.25	7.38	12.23%
Bankers Inv. Trust	BNKR	1.13	1.11	20.09%
Blackrock World Mining	BRWM	5.35	5.40	-0.19%
City of London Investment Trust	CTY	4.36	4.38	14.91%
Asia Dragon Trust	DGN	4.18	4.19	22.94%
Euro Small Comp. Trust	ESCT	1.75	1.77	25.59%
F&C Investment Trust	FCIT	10.58	10.24	24.47%
Global Smaller Companies Trust	GSCT	1.65	1.65	24.55%
HarbourVest Global Private Eq.	HVPE	22.90	23.75	7.51%
JPM American	JAM	10.16	9.68	31.78%
JPMorgan Eur Discorvery Trust	JEDT	4.64	4.64	27.82%

Investment Trust Watch List as at 21 October 2024	Ticker	21/10/24 Close	26/9/24 Close	Annual % Change
JPMorgan European	JEGI	1.00	1.02	13.12%
JPMorgan Japanese	JFJ	5.37	5.54	20.95%
JPM Global Growth	JGGI	5.80	5.48	25.27%
Mid Wynd International	MIDW	7.96	7.85	16.54%
Monks ITC	MNKS	11.88	11.62	30.12%
Nth American Inc. Trust	NAIT	3.28	3.06	21.93%
Polar Cap Tech	PCT	3.11	3.00	42.66%
RIT Cap Partners	RCP	18.20	18.26	5.08%
Schroder Asia Pacific	SDP	5.36	5.44	14.53%
Scottish Mortgage Trust	SMT	8.46	8.32	30.59%
Templeton Emerg.	TEM	1.66	1.68	15.14%
Worldwide Health	WWH	3.43	3.47	15.10%

Source: Thompson Reuters, Jarden. Change calculuations incorporate dividends. Prices in local currency

JARDEN'S FIXED INTEREST BONDS

AS AT 23RD OCTOBER2024

Fixed Interest Secondary Market	Ticker	Coupon	Maturity	Credit Rating	23/10/24 Yield	26/9/24 Yield
Vanilla						
Auckland Airport	AIA240	3.29%	17/11/26	A-	4.21	4.60
ANZ Bank New Zealand Limited	ANB180	5.22%	16/02/28	AA-	4.19	4.40
Bank of New Zealand	BNZ150	1.88%	8/06/26	AA-	4.05	4.53
China Construction Bank (NZ)	CCB1124	2.39%	22/11/24	A	5.85	6.35
Chorus Limited	CNU030	1.98%	24/01/00	BBB	4.43	4.59
Fletcher Building Industries	FBI190	3.90%	15/03/25	Not rated	10.20	10.50
Fonterra Co-Operative Group	FCG050	4.15%	14/11/25	A-	4.23	4.91
Infratil	IFT310	3.60%	15/12/27	Not rated	6.03	6.20
Kiwi Property Group	KPG050	2.85%	19/07/28	BBB+	5.20	5.46
Meridian Energy	MEL050	4.21%	27/06/25	BBB+	4.47	5.23
Southland Building Society	SBS020	6.14%	7/03/29	BBB+	4.92	4.81
Summerset Group Holdings Ltd	SUM020	4.20%	24/09/25	Not rated	5.16	5.80
Transpower New Zealand	TRP070	1.735%	4/09/25	AA	4.21	4.87
Westpac	WP0225	2.08%	20/02/25	AA-	4.67	5.40
Hybrid	**Ticker**	**Coupon**	**Maturity**	**Credit Rating**	**26/9/24 Yield ($)**	**26/9/24 Yield**
ANZ Bank Unsecured, Subordinated Notes	ANB170	3.00%	17/09/31	A	95.92	5.26%
Genesis Energy	GNE070	5.66%	9/06/52	BB+	99.30	
Kiwibank	KWB010	2.36%	11/12/25	BBB	96.34	96.04
Infratil Perpetual Infrastructure Bond	IFTHA	7.06%	Perpetual	Not rated	64.50	64.40