

# A Month in the Market

## July 2020

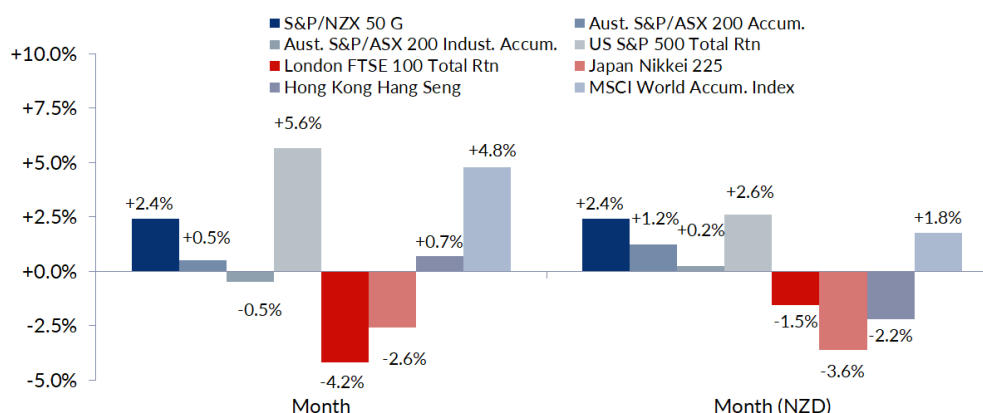
**MATTHEW LEACH**

matthew.leach@forsythbarr.co.nz  
+64 4 495 1324

**LIAM DONNELLY**

liam.donnelly@forsythbarr.co.nz  
+64 4 495 8194

The S&P/NZX 50 Gross Index rose +2.4% in July 2020, bringing the year-to-date return for the benchmark index to +2.1%. In contrast, the S&P/NZX 50 Portfolio Gross Index (which caps constituent weightings at 5%), is still down -5.5% for the same period, highlighting the impact that the largest cap stocks have on the benchmark index. In July, small caps led the market, up +10.4%, while the mid and large caps trailed on +3.2% and +2.1% respectively. Off-shore markets were varied, with the S&P/ASX200 Accum, S&P500 TR and FTSE100 TR returning +0.5%, +5.6% and -4.2% respectively (local currency).

**Figure 1. International Returns, July 2020 (Local and NZD)**


Source: Forsyth Barr analysis, Bloomberg

## Movers and shakers

The month of July finished with 33 positive returns and 17 negative returns and an overall range of 35.5%. Top performers for the month included SUM (+22%), MFT (+20%) and MET (+15%), whilst SKT (-14%), VGL (-12%) and PPH (-10%) performed the worst. The main (positive) contributors to the index were SPK, MFT and ATM with CEN, FBU and AIA providing the largest negative contributions for the month.

**Figure 2. Index and Sector Movements: July 2020**

S&P/NZX Indices	Close	1mth Return	3mth Return
50 Gross	11,727.63	+2.4%	+11.4%
50 Portfolio Gross	6,720.03	+2.5%	+9.2%
Large Caps Gross	12,449.89	+2.1%	+12.5%
Mid-Caps Gross	29,266.46	+3.2%	+9.3%
Small Caps Gross	63,367.10	+10.4%	+22.9%
All Real Estate Gross	1,649.18	+7.1%	+10.2%

Source: Forsyth Barr analysis, Refinitiv

**Figure 3. Expected 12 month forward total return**

	S&P/NZX 50		Large Cap		Mid Cap	
	Weighted	Median	Weighted	Median	Weighted	Median
Forsyth Barr	-2.1%	+3.0%	-6.1%	+2.3%	+4.6%	+2.7%
Consensus	+0.3%	+4.8%	-2.6%	-0.5%	+5.7%	+5.5%
Difference	-2.4%	-1.8%	-3.5%	+2.8%	-1.0%	-2.7%

Source: Forsyth Barr analysis, Bloomberg

## Expected 12 month forward total return

Our expected 12 month forward total returns are -2.1% (weighted) for the benchmark S&P/NZX 50 index or +3.0% on a median basis. Large cap companies are expected to deliver -6.1% (+2.3% median) versus the mid-caps at +4.6% (+2.7% median).

**Figure 4. Company headlines: July 2020**

Code	Date	Total Return	Headline
AIA	1/07/2020	-2.9%	Auckland International Airport expects to take up to an NZ\$90m profit hit in 2020, mainly from costs incurred from terminating infrastructure projects and retail rent drops.
AIR	21/07/2020	+1.5%	Air New Zealand extended by six months the time-frame in which customers can use travel credits, after launching a selfservice tool to redeem them.
AIR	28/07/2020	+1.5%	Air New Zealand pushed out its international booking freeze by a further 10 days, after an uplift in booking requests.
ATM	15/07/2020	+3.2%	Potential A2 Milk investment target Mataura Valley Milk confirmed it is in breach of banking covenants and faces a NZ\$26m funding deficit by December.
KMD	2/07/2020	+0.9%	Kathmandu Holdings expects its full-year earnings to drop to NZ\$70m as it grapples with the impact of COVID-19 on retail.
MET	6/07/2020	+15.0%	Metlifecare received a lower offer of \$6 per share from Asia Pacific Village Group, which had unilaterally withdrawn its initial \$7 offer three months ago.
MET	10/07/2020	+15.0%	The majority of Metlifecare's board has agreed to a takeover by Asia Pacific Village Group at \$6 per share, down from the previously agreed to \$7 deal.
MFT	30/07/2020	+20.4%	Mainfreight's Australian pre-tax profit more than doubled in its first 17 weeks of trading as it grabbed market share across the Tasman.
NZX	1/07/2020	+4.3%	NZX and investment platform Syndex teamed up to nurture private companies in the hope they will publicly list down the track.
NZX	30/07/2020	+4.3%	NZX said Capital raisings rose +62% in the year to date, as COVID-19 hit firms sought funds to shore up their balance sheets.
OCA	23/07/2020	+13.6%	Oceania Healthcare reported an annual net loss of NZ\$13.6m, down from a profit of \$45.4m the previous year, on lower valuations of its property portfolio.
RBD	29/07/2020	+1.2%	Restaurant Brands NZ second-quarter sales were heavily hit by the COVID-19 lockdowns, mostly obvious in its New Zealand operations.
SKT	3/07/2020	-14.0%	Sky Network TV agreed a revised satellite service agreement for the next decade with Optus Networks.
SUM	9/07/2020	+21.5%	Summerset Group expects first-half underlying profit to be between NZ\$40m and NZ\$45m, lower than previously estimated due to the effects of COVID-19.
TPW	15/07/2020	-4.7%	The Electricity Authority remains confident its process for mandating that national grid charges be divvied up more fairly will withstand judicial scrutiny.
TPW	24/07/2020	-4.7%	Trustpower wants to avoid suing the government over freshwater management reforms which it says favour the other four listed rivals.
VCT	28/07/2020	+8.1%	Unleashing the power of smart metering data is the driving force behind a new multi-year partnership between Vector and Amazon Web Services.
ZEL	22/07/2020	+4.4%	Z Energy said it is on track to deliver cost reductions after its earnings took a hammering during the COVID-19 lockdown.

Source: Forsyth Barr analysis, NBR

**Figure 5. Economic headlines: July 2020**

Date	Headline
3/07/2020	New Zealand banks' collective profits dropped by -20% in the March quarter, with the worst effects of COVID-19 yet to come.
6/07/2020	A report on the economic case for open ocean aquaculture said the salmon farming industry could be earning as much as NZ\$2bn for the country by 2049.
8/07/2020	MediaWorks' woes continued with news that CEO Michael Anderson will leave the company at the end of the year.
9/07/2020	Rio Tinto will look to close down New Zealand's only aluminium smelter at Tiwai Point by August 2021, with some 1000 jobs now set to be lost.
10/07/2020	COVID-19 related disruption across all channels of the wine trade in the US is likely to have a harmful impact on small New Zealand wineries.
13/07/2020	Tiwai Point aluminium smelter's signalled wind-down next year has forced Transpower to expedite at least NZ\$650m of transmission upgrades to the national grid.
14/07/2020	In a special edition of the Reserve Bank's Credit Conditions Survey from June, the trading banks predicted falling demand for credit despite low interest rates.
17/07/2020	Bauer Media completed the sale of its Australasian magazines business to Mercury Capital, which will resume publishing shortly.
22/07/2020	The Global Dairy Trade price index eased -0.7% to 989 after the latest auction of dairy commodities.
24/07/2020	Aged care providers are not on board with a union push for mandatory minimum staffing ratios, saying the sector could not cope with the added burden.
24/07/2020	McDonald's Restaurants New Zealand made an NZ\$70.5m profit for 2019, a feat it might not repeat in 2020 because of the COVID-19 impact.
27/07/2020	Hundreds of NZ tourism businesses will learn this week if they will receive cash from the government's controversial \$400m tourism rescue package.
28/07/2020	Forestry has a greater economic impact per hectare than sheep and cow farming, according to a report commissioned by Te Uru Rakau (Forestry NZ).

Source: Forsyth Barr analysis, NBR

**Figure 6. Forsyth Barr ratings changes: July 2020**

Code	Indicator	Rating	Previous Rating	Date	Comment
THL	▲	NEUTRAL	UNDERPERFORM	8/07/2020	We upgrade Tourism Holdings (THL) to NEUTRAL from UNDERPERFORM reflecting the company's strong cost management in response to COVID-19 demand challenges, and strength in vehicle sales demand.
GNE	▼	NEUTRAL	OUTPERFORM	20/07/2020	Rio Tinto's (RIO) shock announcement that it intends to shutter the New Zealand Aluminium Smelter (NZAS) significantly impacts Genesis Energy, and it now has several important and challenging decisions to make. We have reduced both our earnings and dividend forecasts and downgrade our rating to NEUTRAL from OUTPERFORM.
MCY	▼	NEUTRAL	OUTPERFORM	20/07/2020	The main impact MCY faces as a result of Rio Tinto's announcement that it plans to shutter NZAS is increased retail competition. However, it has no offsetting benefit from NZAS closing and therefore faces a decline in earnings due to lower retail prices. We have trimmed our earnings and dividend forecasts for the company and downgrade our rating to NEUTRAL from OUTPERFORM.
TPW	▼	NEUTRAL	OUTPERFORM	20/07/2020	Whilst TPW is not directly impacted as a result of Rio Tinto's decision to close NZAS, it has limited balance capacity to absorb the short-term negative effects. TPW is helped by the fact that its generation assets are all renewable and relatively well spread out across the country; however, TPW is exposed to negative retail price effects. We downgrade our rating to NEUTRAL from OUTPERFORM.
PPH	n/a	OUTPERFORM	n/a	23/07/2020	We initiate coverage of Pushpay with an OUTPERFORM rating and target price of NZ \$12.42. PPH is the current market leader in providing customised, innovative giving technology for large US churches. PPH is well placed to benefit from the ongoing consolidation of US churches and thematic shift towards digital giving, accentuated by COVID-19.

Source: Forsyth Barr analysis

**Figure 7. Forsyth Barr target price and earnings changes**

	Target Price Changes	Forecast Year 1	Forecast Year 2
Upgrade ▲	10	14	10
Downgrade ▼	5	6	10

Source: Forsyth Barr analysis

**Figure 8. Forsyth Barr target price and earnings changes: July 2020**

Code	Target Price Change	Earnings Changes	Comment
AIA	▲ NZ\$5.70 (from NZ\$5.50)	NPAT: ▼ FY20 -0.8%, ▼ FY21 -16.2%	<b>Significant items and debt repayments.</b> We lower our FY20/FY21 NPAT forecasts to reflect 1) various significant items, and 2) higher interest costs in FY20 to reflect the timing of debt repayments and the use of proceeds from the April 2020 capital raise.
AIR	▲ NZ\$0.90 (from NZ\$0.80)	PBT: ▲ FY20 +18.4%, ▲ FY21 +40.5%	<b>Cargo volumes and pax RASK.</b> We lift our FY20/FY21 earnings forecasts although still expect AIR to be loss-making in FY21. Our forecasts are lifted due to higher cargo revenue and passenger RASK assumptions.
ARV	n/a	NPAT: ▲ FY21 +8.4%, ▼ FY22 -0.8%	<b>Increased sales.</b> The key drivers behind our FY21 changes are (1) incorporating the net cost of NZ\$3m ARV incurred as a result of COVID-19 measures through April to June, (2) lifting our FY21 re-sales units and re-sale average prices; and (3) increasing our build rate and new sales.
CEN	▼ NZ\$7.50 (from NZ\$8.15)	EBITDA: ▲ FY20 +4.2%, ▼ FY21 -3.6%	<b>Smelter closure.</b> The increase in our FY20 estimate is due to higher than forecast June 2020 operating statistics helped by firm wholesale electricity prices. Our forecasts reflect the deferral of the 'shovel-ready' Tauhara geothermal development and likely lower retail prices due to the fall in wholesale electricity prices and increased competition (due to the closure of NZAS).
GNE	▼ NZ\$2.75 (from NZ\$3.30)	EBITDA: ▼ FY20 -1.7%, ▼ FY21 -6.5%	<b>Smelter closure.</b> Our estimates include (1) the closure of one of the Huntly plants and that the coal/gas Rankine units are the most likely to close, (2) a natural downsizing of its retail business as MEL seeks to increase its market share, and (3) the end of the MEL and CEN swaption contracts.
IPL	▲ NZ\$2.05 (from NZ\$1.85)	EPS: ▲ FY21 +1.7%, ▲ FY22 +4.4%	<b>Potential acquisitions.</b> We lift our FY21/FY22/FY23 EPS expectations due to our assumption of NZ\$50m of acquisitions in FY21. April's NZ\$100m capital raise provided IPL with balance sheet capacity to acquire assets and grow earnings.

Source: Forsyth Barr analysis

Figure 9. Forsyth Barr target price and earnings changes: July 2020 cont.

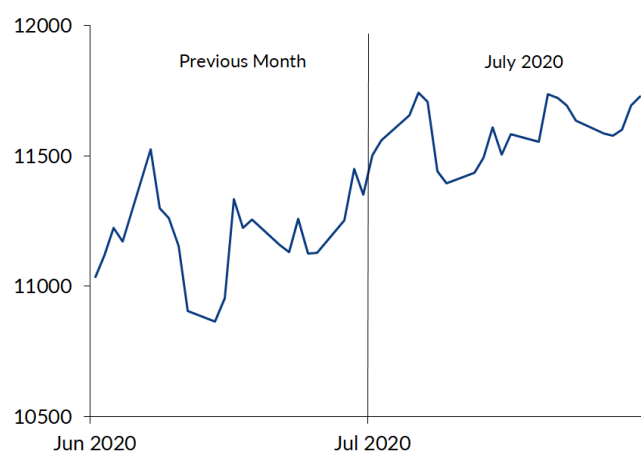
Code	Target Price Change	Earnings Changes	Comment
KMD	▲ NZ\$1.50 (from NZ\$1.20)	NPAT: ▲ FY20 +585.2%, ▲ FY21 +9.6%	<b>Retail surge.</b> We lift our FY20 forecast, in line with company guidance. Key drivers are 1) a shorter than expected lockdown, 2) a surge in retail activity fuelled by pent-up demand, and 3) higher than expected gross margin realisation.
MCY	▼ NZ\$4.41 (from NZ\$4.95)	EBITDA: ▼ FY20 -2.0%, ▼ FY21 -2.9%	<b>Smelter closure.</b> Our changes reflect an increase in retail competition (as we expect MEL to increase market share), declining retail prices, and the impact on the price MCY's under-construction wind farm, Turitea, will receive.
MEL	n/a	EBITDA: ▼ FY20 -1.0%, ▼ FY21 -0.2%	<b>Smelter closure.</b> These changes reflect MEL spilling ~1,100GWh per annum of water, the termination of the swaption with GNE, and our expectation that MEL will grow its retail market share and sell at a higher price than it received from NZAS.
MFT	▲ NZ\$47.00 (from NZ\$40.00)	EBITDA: ▲ FY21 +16.3%, ▲ FY22 +10.7%	<b>Strong trading update.</b> We materially increase our earnings forecasts to reflect the strong year-to-date performance. Our upgrades are on the back of MFT's recent trading update which highlighted the outstanding recovery in profitability following a tough COVID-19 impacted start to FY21.
MHJ	n/a	EBIT: ▲ FY20 +2.4%, ▲ FY21 +9.6%	<b>Wage subsidies and rental relief.</b> We adjust our FY20E forecasts to reflect updated sales figures, with our earnings estimates increasing as we lift our gross margin assumption on management commentary, and factor in further wage subsidies and rental relief. Our FY21E forecasts also lift on the back of wage subsidy extensions and cost out initiatives.
NPH	▲ NZ\$3.25 (from NZ\$3.05)	EBITDA: ▲ FY20 +3.6%, ▼ FY21 -0.4%	<b>Log exports and containers.</b> We make modest changes to our earnings forecasts in FY20 but leave FY21 and FY22 largely unchanged. The near term upgrade reflects higher assumptions for both high margin log exports, and containers.
OCA	▲ NZ\$1.10 (from NZ\$1.08)	NPAT: ▲ FY21 +23.5%, ▲ FY22 +9.9%	<b>Increased sales, re-sales; lower costs.</b> We increase our FY21/FY22 EBITDA forecasts due to increased sales, re-sales and lower costs. Our underlying profit increases by +24%/+10% (FY21/FY22 respectively), due to increased depreciation. We expect development margins to fall from 33%(FY20) to 22% (FY22).
PCT	▲ NZ\$1.58 (from NZ\$1.52)	EPS: ▲ FY20 +8.3%, ▲ FY21 +2.4%	<b>Lower tenant support.</b> We have adjusted our earnings for lower than previously forecast COVID tenant support, the delayed opening of Commercial Bay, the deferral of 1 Queen St redevelopment, settlement of the Pastoral House divestment, development of Bowen Campus stage 2 building 1, and higher levels of capitalised interest.
PEB	n/a	Revenue: ▲ FY21 +4.8%, ▲ FY22 +12.1%	<b>Major agreements.</b> We have upgraded our near-term expectations to reflect PEB's recent announcements. This reflects a lift in test volume expectations, faster payment terms and a lift in the percentage of tests PEB receives cash from.
POT	▲ NZ\$6.20 (from NZ\$5.20)	NPAT: ▼ FY20 -3.4%, ▼ FY21 -2.1%	<b>COVID-19 impact.</b> We lower our earnings forecasts for POT throughout our outlook period to principally reflect lower container volumes as a result of COVID-19 supply chain restrictions and the ongoing economic fall-out.
SKC	▼ NZ\$3.10 (from NZ\$3.30)	EPS: ▲ FY20 +9.4%, ▼ FY21 -26.3%	<b>Conservative on border.</b> Our base case now assumes a return to 'normal' in FY22E (most areas of the business) or FY23E (when including International Business, IB, and hotels). We make some adjustments to our recovery path and take a more conservative view on border re-opening.
THL	▲ NZ\$1.90 (from NZ\$1.50)	NPAT: ▲ FY20 +146.1%, ▲ FY21 +71.7%	<b>Strong domestic demand assumed.</b> We lift THL's FY20/FY21 forecasts. Our forecasts assume: international borders reopen to varying degrees by Jan 2021, vehicle sales volumes and margins are strong through FY21, and that domestic rental demand will be strong prior to borders re-opening.
TPW	▼ NZ\$6.55 (from NZ\$7.50)	EBITDA: ▼ FY21 -4.7%, ▼ FY22 -8.8%	<b>Smelter closure.</b> The main impact on TPW from the smelter closure is lower retail prices, which we anticipate will begin in early 2021 as MEL starts to grow its market share. Its generation portfolio is well positioned to cope.
WHS	n/a	NPAT: ▲ FY20 +37.2%, ▲ FY21 +30.8%	<b>Wage subsidy and favourable rent negotiation.</b> We lift our FY20/FY21 forecasts. FY20 operating leverage is amplified by wage subsidies and favourable rent negotiation outcomes.

Source: Forsyth Barr analysis

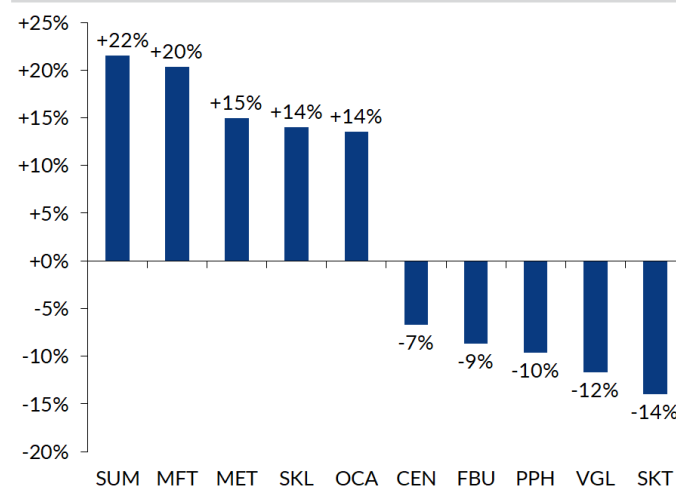
**Figure 10. Changes in Substantial Product Holder notices (SPH), Forsyth Barr universe**

Code	Name	Shareholder Name	Initial Holding	Holding after Change	Change
AUG	Augusta Capital	ANZ NZ Investments	13.65%	0.06%	-13.59%
		Centuria New Zealand Holdings Limited (01/07/2020-19/07/2020)	63.92%	77.34%	+13.42%
		Rockridge Trustee Company Limited and Mark Edward Francis	11.91%	0.44%	-11.47%
EBO	EBOS Group	FMR	9.13%	8.11%	-1.02%
FPH	Fisher & Paykel Healthcare	The Capital Group Companies	6.45%	5.36%	-1.09%
FRE	Freightways	Harbour Asset Management & Jarden Securities Limited	5.31%	4.99%	-0.32%
GTK	Gentrack Group	National Nominees	8.69%	10.80%	+2.11%
IPL	Investore Property	ANZ NZ Investments	10.22%	9.20%	-1.03%
MET	Metlifecare	ACC	5.24%	4.90%	-0.34%
		Credit Suisse	6.33%	5.15%	-1.18%
		UBS	7.27%	9.99%	+2.72%
		UBS	9.99%	11.03%	+1.04%
PEB	Pacific Edge	AMP Capital Investors NZ	5.50%	4.74%	-0.76%
		Harbour Asset Management & Jarden Securities Limited	17.49%	15.69%	-1.81%
PPH	Pushpay Holdings	Christopher & Banks V Limited	19.06%	15.68%	-3.38%
		JPMorgan Chase & Co. and its affiliates	n/a	5.38%	n/a
		JPMorgan Chase & Co. and its affiliates	5.38%	0.15%	-5.23%
SKC	SKYCITY Entertainment Group	Lazard	7.33%	8.63%	+1.30%
SKT	SKY Network Television	Kiltearn Partners	8.01%	6.99%	-1.02%
		Mitsubishi UFJ Financial Group	5.73%	4.10%	-1.63%
SUM	Summerset Group Holdings	ACC	5.00%	4.98%	-0.02%
		ACC	n/a	5.04%	n/a
VGL	Vista Group International	Harbour Asset Management & Jarden Securities Limited	7.92%	6.34%	-1.58%
ZEL	Z Energy	Investment Services Group	5.10%	0.00%	-5.10%

Source: Forsyth Barr analysis, NZX. Note: based on SPH notices only.

**Figure 11. S&P/NZX 50 G Index**


Source: Forsyth Barr analysis, Refinitiv

**Figure 12. S&P/NZX 50 w/Imp: best and worst performers (1m)**


Source: Forsyth Barr analysis, Refinitiv

**Figure 13. Benchmark and sector movements: July 2020**

S&P/NZX Indices	Last	Month	Year to Date	3 Months	12 Months	3 year	5 year	10 year
50 Gross	11,727.63	+2.4%	+2.1%	+11.4%	+8.0%	+15.1%	+14.6%	+14.5%
50 Portfolio Gross	6,720.03	+2.5%	-5.5%	+9.2%	+0.6%	+12.0%	+12.9%	+13.8%
Large Caps Gross	12,449.89	+2.1%	+11.0%	+12.5%	+17.0%	+18.8%	+15.8%	+14.9%
Mid-Caps Gross	29,266.46	+3.2%	-10.6%	+9.3%	-4.4%	+9.9%	+13.1%	+14.9%
<b>Small Caps Gross</b>	<b>63,367.10</b>	<b>+10.4%</b>	<b>-4.8%</b>	<b>+22.9%</b>	<b>+4.0%</b>	<b>+6.5%</b>	<b>+11.7%</b>	<b>+12.3%</b>
All Consumer Discretionary Gross	945.04	+2.8%	-33.3%	+4.4%	-23.6%	-4.6%	-1.3%	+4.0%
All Consumer Staples Gross	7,345.60	+3.1%	+28.4%	+5.7%	+11.9%	+43.0%	+46.6%	+27.7%
All Energy Gross	568.80	+4.0%	-39.5%	-10.0%	-56.1%	-25.4%	-10.9%	-3.9%
All Financials Gross	994.92	+3.9%	-16.7%	+12.5%	-4.6%	-8.8%	-0.6%	+5.6%
All Health Care Gross	3,138.72	+4.2%	+22.7%	+25.8%	+60.5%	+31.4%	+24.3%	+24.6%
All Index Gross	12,696.60	+2.8%	+2.0%	+11.8%	+8.3%	+15.0%	+15.0%	+15.3%
All Industrials Gross	1,752.70	+2.7%	-17.9%	+11.8%	-15.8%	+4.6%	+10.9%	+16.5%
All Information Technology Gross	1,828.15	-4.0%	+8.5%	+52.5%	-4.1%	+13.2%	+13.5%	+23.3%
<b>All Materials Gross</b>	<b>498.70</b>	<b>-8.7%</b>	<b>-33.3%</b>	<b>-8.7%</b>	<b>-29.6%</b>	<b>-22.0%</b>	<b>-12.4%</b>	<b>-3.7%</b>
All Real Estate Gross	1,649.18	+7.1%	-9.0%	+10.2%	-4.9%	+12.1%	+9.7%	+12.5%
All Communication Services Gross	2,331.17	+5.3%	+15.5%	+8.7%	+26.4%	+14.9%	+17.8%	+16.2%
All Utilities Gross	2,082.96	-0.9%	-5.1%	+3.2%	-1.7%	+16.9%	+15.5%	+13.5%

Source: Forsyth Barr analysis, Iress, 3, 5 & 10 year returns annualised

**Figure 14. International returns (local currency): July 2020**

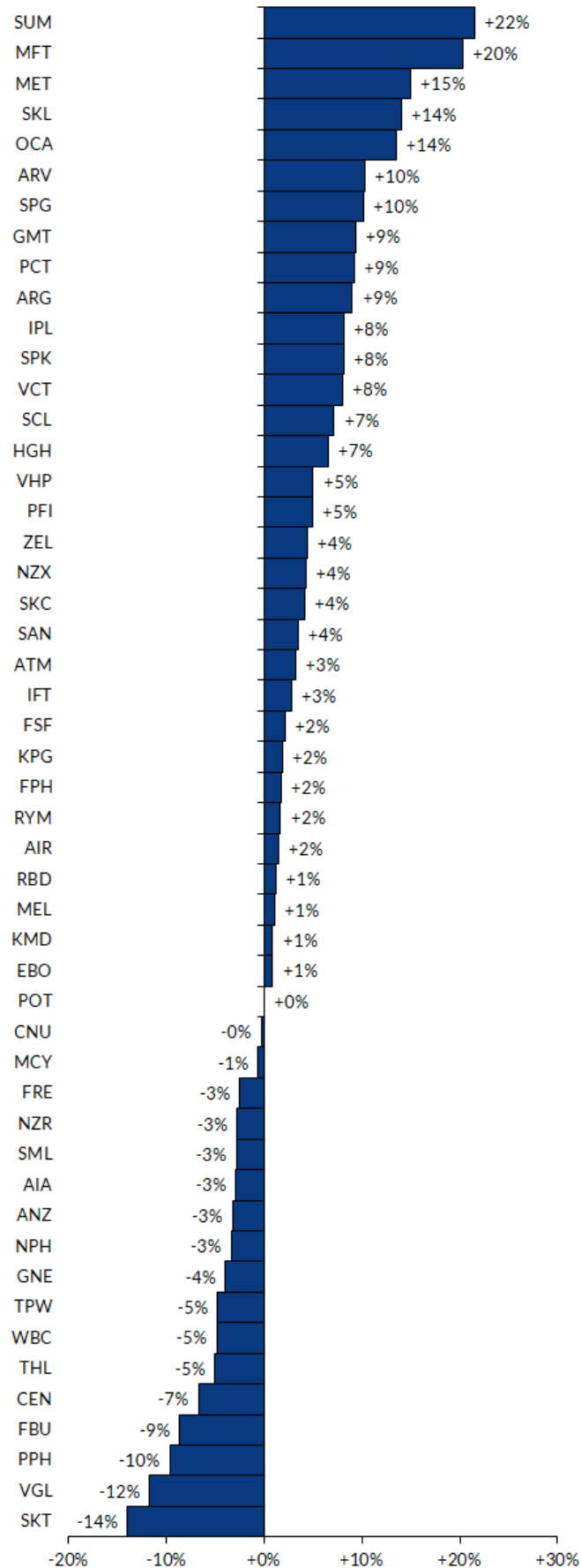
Market (local returns)	Last	Month	Year to Date	3 months	12 months	3 year	5 year	10 year
Aust. S&P/ASX 200 Accum.	65,218.91	+0.5%	-10.0%	+7.6%	-9.9%	+5.4%	+5.1%	+7.4%
Aust. S&P/ASX 200 Indust. Accum.	126,353.60	-0.5%	-11.5%	+5.9%	-11.3%	+3.3%	+3.7%	+9.1%
Aust. S&P/ASX 200 A-REIT Accum.	45,921.02	+0.6%	-20.8%	+6.1%	-22.8%	+2.2%	+3.4%	+9.2%
<b>US S&amp;P 500 Total Rtn</b>	<b>6,709.81</b>	<b>+5.6%</b>	<b>+2.4%</b>	<b>+12.9%</b>	<b>+12.0%</b>	<b>+12.0%</b>	<b>+11.5%</b>	<b>+13.8%</b>
<b>London FTSE 100 Total Rtn</b>	<b>5,559.66</b>	<b>-4.2%</b>	<b>-20.4%</b>	<b>+0.6%</b>	<b>-19.2%</b>	<b>-3.3%</b>	<b>+1.5%</b>	<b>+5.1%</b>
German DAX 30	12,313.36	+0.0%	-7.1%	+13.4%	+1.0%	+0.5%	+1.7%	+7.2%
France CAC 40 Total Rtn	13,252.47	-2.6%	-18.4%	+6.2%	-11.4%	+0.9%	+2.0%	+6.4%
Japan Nikkei 225	21,710.00	-2.6%	-8.2%	+7.5%	+0.9%	+2.9%	+1.1%	+8.6%
Hong Kong Hang Seng	24,595.35	+0.7%	-12.8%	-0.2%	-11.5%	-3.4%	-0.0%	+1.6%
MSCI World Accum. Index	6,822.60	+4.8%	-1.3%	+12.8%	+7.2%	+7.5%	+7.5%	+9.6%
MSCI New Zealand	750.35	+5.6%	+13.1%	+22.5%	+23.9%	+13.9%	+16.5%	+13.6%
NZDAUD	0.9281	-0.7%	-3.3%	-1.3%	-3.2%	-0.4%	+0.6%	+1.5%
NZDUSD	0.6629	+2.7%	-1.6%	+8.2%	+1.1%	-4.1%	+0.1%	-0.9%

Source: Forsyth Barr analysis, Bloomberg, 3, 5 & 10 year returns annualised

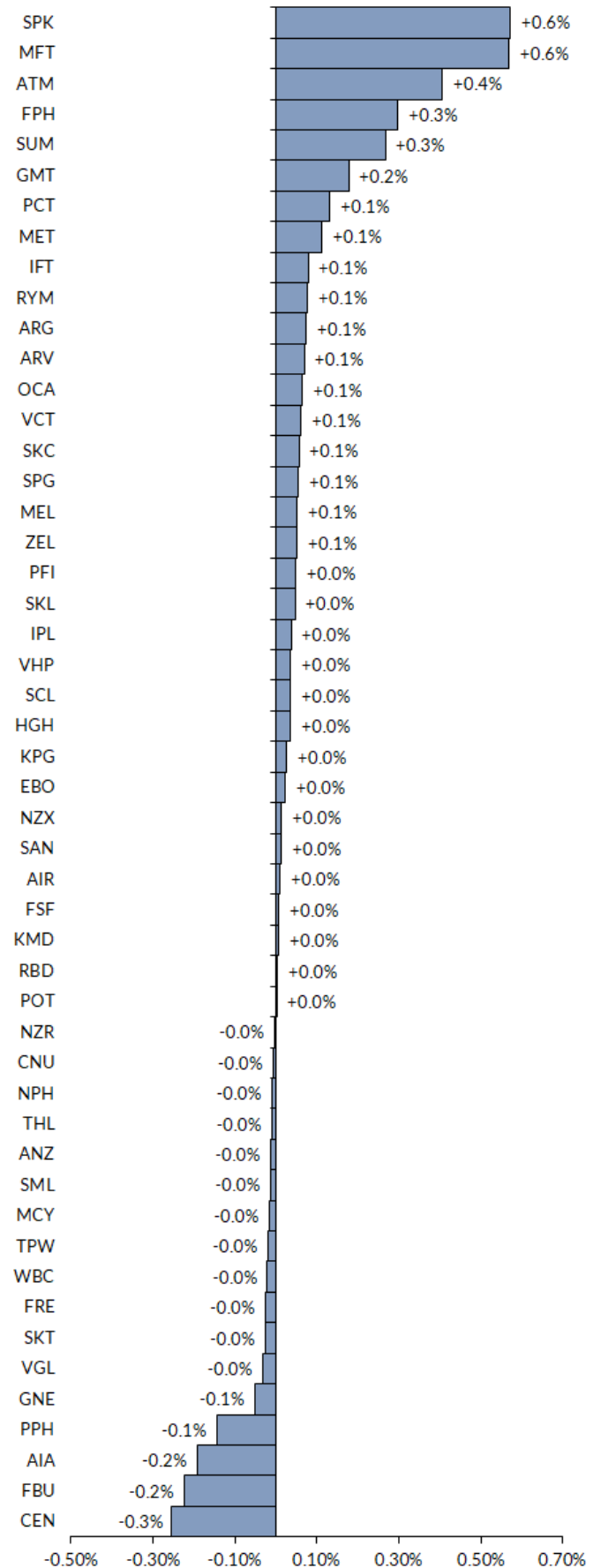
**Figure 15. International returns (NZ\$): July 2020**

Market (NZ\$)	Last	Month	Year to Date	3 months	12 months	3 year	5 year	10 year
Aust. S&P/ASX 200 Accum.	65,218.91	+1.2%	-6.9%	+9.2%	-7.0%	+5.8%	+4.6%	+5.8%
Aust. S&P/ASX 200 Indust. Accum.	126,353.60	+0.2%	-8.4%	+7.4%	-8.4%	+3.7%	+3.1%	+7.5%
Aust. S&P/ASX 200 A-REIT Accum.	45,921.02	+1.4%	-18.1%	+7.7%	-20.3%	+2.6%	+2.8%	+7.6%
<b>US S&amp;P 500 Total Rtn</b>	<b>6,709.81</b>	<b>+2.6%</b>	<b>+4.1%</b>	<b>+4.5%</b>	<b>+11.2%</b>	<b>+16.7%</b>	<b>+11.4%</b>	<b>+14.8%</b>
London FTSE 100 Total Rtn	5,559.66	-1.5%	-20.0%	-3.0%	-13.9%	+0.5%	-2.1%	+4.1%
German DAX 30	12,313.36	+1.9%	-0.8%	+13.2%	+6.4%	+4.6%	+3.1%	+7.0%
France CAC 40 Total Rtn	13,252.47	-0.8%	-12.9%	+6.0%	-6.7%	+5.0%	+3.3%	+6.2%
<b>Japan Nikkei 225</b>	<b>21,710.00</b>	<b>-3.6%</b>	<b>-4.2%</b>	<b>+0.6%</b>	<b>+2.8%</b>	<b>+8.7%</b>	<b>+4.2%</b>	<b>+7.3%</b>
Hong Kong Hang Seng	24,595.35	-2.2%	-10.9%	-8.1%	-11.1%	+0.8%	-0.1%	+2.5%
MSCI World Accum. Index	6,822.60	+1.8%	+0.4%	+4.4%	+6.6%	+12.0%	+7.4%	+10.6%
MSCI New Zealand	750.35	+2.6%	+14.9%	+13.4%	+23.2%	+18.6%	+16.4%	+14.6%
NZDAUD	0.9281	-0.7%	-3.3%	-1.3%	-3.2%	-0.4%	+0.6%	+1.5%
NZDUSD	0.6629	+2.7%	-1.6%	+8.2%	+1.1%	-4.1%	+0.1%	-0.9%

Source: Forsyth Barr analysis, Bloomberg, 3, 5 & 10 year returns annualised

**Figure 16. S&P/NZX 50 G w/Imp Index: returns (month)**


Source: Forsyth Barr analysis, Refinitiv

**Figure 17. S&P/NZX 50 G w/Imp Index: contribution (month)**


Source: Forsyth Barr analysis, Refinitiv



**Figure 18. S&P/NZX 50 C Index: July 2020 month**

Company	Price \$ month-end	% change month	Contribution %	No. Shares (millions)	Mkt Cap (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1 F&P Healthcare	36.00	+1.1%	+0.2%	574.63	20,686.72	17.06
2 A2 Corporation	20.84	+3.2%	+0.4%	739.83	15,418.06	12.72
3 Spark NZ	4.93	+8.1%	+0.6%	1,837.05	9,056.63	7.47
4 Auckland Int. Airport	6.38	-2.9%	-0.2%	1,192.77	7,609.85	6.28
5 Meridian Energy	4.86	+1.0%	+0.1%	1,255.74	6,102.92	5.03
6 Ryman Healthcare	13.30	+1.7%	+0.1%	-	-	-
7 Contact Energy	5.84	-6.7%	-0.3%	-	-	-
8 Mainfreight	46.90	+19.0%	+0.5%	-	-	-
9 Infratil	4.83	+2.8%	+0.1%	-	-	-
10 Chorus	7.46	-0.3%	-0.0%	-	-	-
11 Mercury NZ	4.67	-0.6%	-0.0%	-	-	-
12 Ebos Group	21.80	+0.9%	+0.0%	-	-	-
13 Fletcher Building	3.38	-8.6%	-0.2%	-	-	-
14 Goodman Property Trust	2.22	+9.4%	+0.2%	-	-	-
15 Port of Tauranga	7.70	0.0%	+0.0%	-	-	-
16 Precinct Properties NZ	1.72	+9.2%	+0.1%	-	-	-
17 Summerset Group	7.85	+21.5%	+0.3%	-	-	-
18 Kiwi Property Group	1.07	+1.9%	+0.0%	-	-	-
19 SKYCITY	2.49	+4.2%	+0.1%	-	-	-
20 Pushpay Holdings	7.94	-9.7%	-0.1%	-	-	-
21 Genesis Energy	2.91	-4.0%	-0.1%	-	-	-
22 Z Energy	2.82	+4.4%	+0.1%	-	-	-
23 Property for Industry	2.46	+4.9%	+0.0%	-	-	-
24 Freightways	7.01	-2.5%	-0.0%	-	-	-
25 Argosy Property	1.27	+9.0%	+0.1%	-	-	-
26 Metlifecare	5.91	+15.0%	+0.1%	-	-	-
27 Vector	3.89	+8.1%	+0.1%	-	-	-
28 Vital Healthcare Property Trust	2.62	+5.0%	+0.0%	-	-	-
29 Arvida Group	1.60	+10.3%	+0.1%	-	-	-
30 Kathmandu	1.14	+0.9%	+0.0%	-	-	-
31 Air New Zealand	1.34	+1.5%	+0.0%	-	-	-
32 Stride Property Group	1.95	+10.2%	+0.1%	-	-	-
33 Heartland Bank	1.31	+6.5%	+0.0%	-	-	-
34 Scales Corporation	5.25	+7.1%	+0.0%	-	-	-
35 Oceania Healthcare	1.01	+12.2%	+0.1%	-	-	-
36 Investore	1.99	+8.2%	+0.0%	-	-	-
37 Synlait Milk	6.90	-2.8%	-0.0%	-	-	-
38 Westpac	18.46	-4.8%	-0.0%	-	-	-
39 TrustPower	6.62	-4.7%	-0.0%	-	-	-
40 Skellerup Holdings	2.44	+14.0%	+0.0%	-	-	-
41 Sanford	6.50	+3.5%	+0.0%	-	-	-
42 ANZ	19.50	-3.2%	-0.0%	-	-	-
43 NZX	1.46	+4.3%	+0.0%	-	-	-
44 Fonterra Shareholders Fund	3.82	+2.1%	+0.0%	-	-	-
45 Restaurant Brands	11.95	+1.2%	+0.0%	-	-	-
46 Napier Port	3.48	-3.3%	-0.0%	-	-	-
47 Vista Group	1.28	-11.7%	-0.0%	-	-	-
48 Tourism Holdings	1.88	-5.1%	-0.0%	-	-	-
49 Sky Network Television	0.13	-14.0%	-0.0%	-	-	-
50 NZ Refining	0.71	-2.7%	-0.0%	-	-	-
Market Capital					\$121,239.75	100
S&P/NZX 50 C Index					4966.11	+2.31%
S&P/NZX 50 C Portfolio Index					2910.73	+2.47%

Source: Forsyth Barr analysis, IRESS, S&P DJI. S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index. Individual returns calculated as the product of the monthly % change ie. (last price + gross div)/base price. Price returns, dividend and contribution reflects the time period that the stock was a member of the index.



**Figure 19. S&P/NZX 50 G Index: July 2020 month**

	Company	Price \$ month-end	Gross Div. \$	% change month	Contribution %	No. Shares (millions)	Mkt Cap. (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1	F&P Healthcare	36.00	0.1550	+1.56%	+0.3%	574.63	20,686.72	17.06
2	A2 Corporation	20.84		+3.22%	+0.4%	739.83	15,418.06	12.72
3	Spark NZ	4.93		+8.11%	+0.6%	1,837.05	9,056.63	7.47
4	Auckland Int. Airport	6.38		-2.89%	-0.2%	1,192.77	7,609.85	6.28
5	Meridian Energy	4.86		+1.04%	+0.1%	1,255.74	6,102.92	5.03
6	Ryman Healthcare	13.30		+1.68%	+0.1%	-	-	-
7	Contact Energy	5.84		-6.71%	-0.3%	-	-	-
8	Mainfreight	46.90	0.3400	+19.99%	+0.6%	-	-	-
9	Infratil	4.83		+2.77%	+0.1%	-	-	-
10	Chorus	7.46		-0.27%	-0.0%	-	-	-
11	Mercury NZ	4.67		-0.64%	-0.0%	-	-	-
12	Ebos Group	21.80		+0.88%	+0.0%	-	-	-
13	Fletcher Building	3.38		-8.65%	-0.2%	-	-	-
14	Goodman Property Trust	2.22		+9.36%	+0.2%	-	-	-
15	Port of Tauranga	7.70		0.00%	+0.0%	-	-	-
16	Precinct Properties NZ	1.72		+9.24%	+0.1%	-	-	-
17	Summerset Group	7.85		+21.52%	+0.3%	-	-	-
18	Kiwi Property Group	1.07		+1.90%	+0.0%	-	-	-
19	SKYCITY	2.49		+4.18%	+0.1%	-	-	-
20	Pushpay Holdings	7.94		-9.67%	-0.1%	-	-	-
21	Genesis Energy	2.91		-3.96%	-0.1%	-	-	-
22	Z Energy	2.82		+4.44%	+0.1%	-	-	-
23	Property for Industry	2.46		+4.90%	+0.0%	-	-	-
24	Freightways	7.01		-2.50%	-0.0%	-	-	-
25	Argosy Property	1.27		+9.01%	+0.1%	-	-	-
26	Metlifecare	5.91		+14.98%	+0.1%	-	-	-
27	Vector	3.89		+8.06%	+0.1%	-	-	-
28	Vital Healthcare Property Trust	2.62		+5.01%	+0.0%	-	-	-
29	Arvida Group	1.60		+10.34%	+0.1%	-	-	-
30	Kathmandu	1.14		+0.88%	+0.0%	-	-	-
31	Air New Zealand	1.34		+1.52%	+0.0%	-	-	-
32	Stride Property Group	1.95		+10.17%	+0.1%	-	-	-
33	Heartland Bank	1.31		+6.50%	+0.0%	-	-	-
34	Scales Corporation	5.25		+7.14%	+0.0%	-	-	-
35	Oceania Healthcare	1.01	0.0120	+13.56%	+0.1%	-	-	-
36	Investore	1.99		+8.15%	+0.0%	-	-	-
37	Synlait Milk	6.90		-2.82%	-0.0%	-	-	-
38	Westpac	18.46		-4.85%	-0.0%	-	-	-
39	TrustPower	6.62		-4.75%	-0.0%	-	-	-
40	Skellerup Holdings	2.44		+14.02%	+0.0%	-	-	-
41	Sanford	6.50		+3.50%	+0.0%	-	-	-
42	ANZ	19.50		-3.23%	-0.0%	-	-	-
43	NZX	1.46		+4.29%	+0.0%	-	-	-
44	Fonterra Shareholders Fund	3.82		+2.14%	+0.0%	-	-	-
45	Restaurant Brands	11.95		+1.19%	+0.0%	-	-	-
46	Napier Port	3.48		-3.33%	-0.0%	-	-	-
47	Vista Group	1.28		-11.72%	-0.0%	-	-	-
48	Tourism Holdings	1.88		-5.05%	-0.0%	-	-	-
49	Sky Network Television	0.13		-14.00%	-0.0%	-	-	-
50	NZ Refining	0.71		-2.74%	-0.0%	-	-	-
Market Capital							\$121,239.75	100
Accumulated Dividend							\$125.21	
S&P/NZX 50 G Index							11727.63	+2.42%
S&P/NZX 50 G Portfolio Index							6720.03	+2.54%

Source: Forsyth Barr analysis, IRESS, S&P DJI. S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index. Individual returns calculated as the product of the monthly % change ie. (last price + gross div)/base price. Price returns, dividend and contribution reflects the time period that the stock was a member of the index.

**Figure 20. S&P/NZX 50 G w/Imp Index: July 2020 month**

	Company	Price \$ month-end	Gross Div w/Imp (\$)	% change month	Contribution %	No. Shares (millions)	Mkt Cap (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1	F&P Healthcare	36.00	0.2153	+1.7%	+0.3%	574.63	20,686.72	17.06
2	A2 Corporation	20.84		+3.2%	+0.4%	739.83	15,418.06	12.72
3	Spark NZ	4.93		+8.1%	+0.6%	1,837.05	9,056.63	7.47
4	Auckland Int. Airport	6.38		-2.9%	-0.2%	1,192.77	7,609.85	6.28
5	Meridian Energy	4.86		+1.0%	+0.1%	1,255.74	6,102.92	5.03
6	Ryman Healthcare	13.30		+1.7%	+0.1%	-	-	-
7	Contact Energy	5.84		-6.7%	-0.3%	-	-	-
8	Mainfreight	46.90	0.4722	+20.4%	+0.6%	-	-	-
9	Infratil	4.83		+2.8%	+0.1%	-	-	-
10	Chorus	7.46		-0.3%	-0.0%	-	-	-
11	Mercury NZ	4.67		-0.6%	-0.0%	-	-	-
12	Ebos Group	21.80		+0.9%	+0.0%	-	-	-
13	Fletcher Building	3.38		-8.6%	-0.2%	-	-	-
14	Goodman Property Trust	2.22		+9.4%	+0.2%	-	-	-
15	Port of Tauranga	7.70		0.0%	+0.0%	-	-	-
16	Precinct Properties NZ	1.72		+9.2%	+0.1%	-	-	-
17	Summerset Group	7.85		+21.5%	+0.3%	-	-	-
18	Kiwi Property Group	1.07		+1.9%	+0.0%	-	-	-
19	SKYCITY	2.49		+4.2%	+0.1%	-	-	-
20	Pushpay Holdings	7.94		-9.7%	-0.1%	-	-	-
21	Genesis Energy	2.91		-4.0%	-0.1%	-	-	-
22	Z Energy	2.82		+4.4%	+0.1%	-	-	-
23	Property for Industry	2.46		+4.9%	+0.0%	-	-	-
24	Freightways	7.01		-2.5%	-0.0%	-	-	-
25	Argosy Property	1.27		+9.0%	+0.1%	-	-	-
26	Metlifecare	5.91		+15.0%	+0.1%	-	-	-
27	Vector	3.89		+8.1%	+0.1%	-	-	-
28	Vital Healthcare Property Trust	2.62		+5.0%	+0.0%	-	-	-
29	Arvida Group	1.60		+10.3%	+0.1%	-	-	-
30	Kathmandu	1.14		+0.9%	+0.0%	-	-	-
31	Air New Zealand	1.34		+1.5%	+0.0%	-	-	-
32	Stride Property Group	1.95		+10.2%	+0.1%	-	-	-
33	Heartland Bank	1.31		+6.5%	+0.0%	-	-	-
34	Scales Corporation	5.25		+7.1%	+0.0%	-	-	-
35	Oceania Healthcare	1.01	0.0120	+13.6%	+0.1%	-	-	-
36	Investore	1.99		+8.2%	+0.0%	-	-	-
37	Synlait Milk	6.90		-2.8%	-0.0%	-	-	-
38	Westpac	18.46		-4.8%	-0.0%	-	-	-
39	TrustPower	6.62		-4.7%	-0.0%	-	-	-
40	Skellerup Holdings	2.44		+14.0%	+0.0%	-	-	-
41	Sanford	6.50		+3.5%	+0.0%	-	-	-
42	ANZ	19.50		-3.2%	-0.0%	-	-	-
43	NZX	1.46		+4.3%	+0.0%	-	-	-
44	Fonterra Shareholders Fund	3.82		+2.1%	+0.0%	-	-	-
45	Restaurant Brands	11.95		+1.2%	+0.0%	-	-	-
46	Napier Port	3.48		-3.3%	-0.0%	-	-	-
47	Vista Group	1.28		-11.7%	-0.0%	-	-	-
48	Tourism Holdings	1.88		-5.1%	-0.0%	-	-	-
49	Sky Network Television	0.13		-14.0%	-0.0%	-	-	-
50	NZ Refining	0.71		-2.7%	-0.0%	-	-	-
Market Capital							\$121,239.75	100
Accumulated Dividend							\$171.03	
S&P/NZX 50 G w/Imp Index							14309.58	+2.45%
S&P/NZX 50 G w/Imp Portfolio Index							8055.92	+2.56%

Source: Forsyth Barr analysis, IRESS, S&P DJI. S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index. Individual returns calculated as the product of the monthly % change ie. (last price + gross div)/base price. Price returns, dividend and contribution reflects the time period that the stock was a member of the index.

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