

Quantitative Screening

Australian Ownership – September 2020

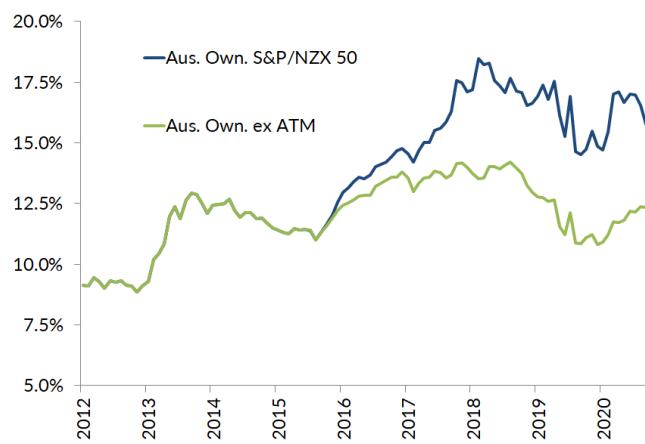
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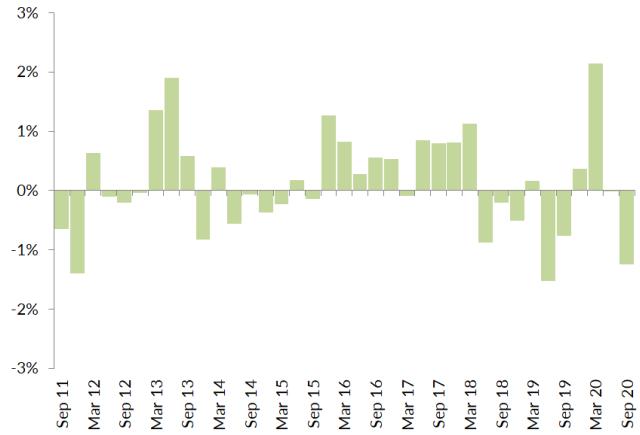
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Australian ownership of the New Zealand equity market (by free float market cap) fell to 15.8% over the September 2020 quarter, driven largely by the underperformance of The a2 Milk Company (ATM), which is widely held by Australian investors. Excluding ATM, Australian ownership increased slightly to 12.4% over the quarter. There have been ownership level changes in several key New Zealand companies over the last three months, including buying in Pushpay (PPH), EBOS Group (EBO) and SKYCITY (SKC), and selling in ATM, Kathmandu (KMD) and Spark (SPK).

Figure 1. Australian ownership S&P/NZX 50 (% of free float)


Source: Forsyth Barr analysis, ASX, NZX

Figure 2. Quarterly change in Australian ownership


Source: Forsyth Barr analysis, ASX, NZX, Refinitiv, % of free float

Australian ownership falls to pre-COVID levels

Australian ownership of the New Zealand market has fallen -1.2% over the September quarter to 15.8%, a return to a level last seen in February 2020. This is the largest quarterly drop in ownership since June 2019, and follows the flat result we saw in June 2020. Excluding the impact of ATM, Australian ownership of the S&P/NZX 50 has increased slightly over the quarter to 12.4% (from 12.2% in June 2020), showing that the overall decrease we have seen is largely attributable to the relative underperformance of ATM, which remains popular amongst Australian investors (with Australian ownership ~49%) and has a significant weighting in the benchmark index (currently ~9%).

PPH, EBO, and SKC still popular in Australia, while ATM drops slightly

Australian ownership of PPH, EBO, and SKC have all seen substantial increases over the quarter, with increases of +345bp, +262bp, and +199bp respectively. Over this time we have seen Australian ownership of ATM drop -163bp, which underperformed the S&P/NZX 50 Gross Index and the S&P/ASX 200 Accum Index (NZD terms) by -26.6% and -24.8% respectively. KMD and SPK also saw drops in ownership of -155bp and -114bp each, despite comfortably outperforming both indices over that period.

Australian ownership activity

We present the changes in Australian ownership of companies in the benchmark S&P/NZX 50 Index with an ASX listing. Figure 3 contains the five largest increases, and five largest decreases in Australian ownership over the quarter as well as the return of these companies over the quarter on an absolute and a relative basis (relative to the S&P/NZX 50 G Index and S&P/ASX Accum Index in NZD terms).

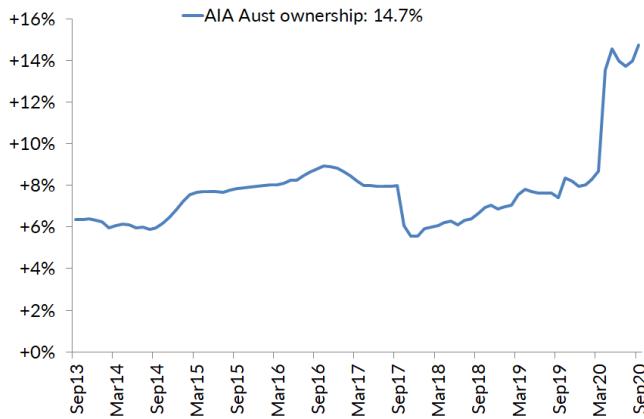
Figure 3. Changes in Aus ownership and relative performance 3 months to August 2020

Increases	Relative					Relative					Relative		Relative	
	% free float	Change	3mth TR	S&P/NZX 50	S&P/ASX 200 (NZD)	Decreases	% free float	Change	3mth TR	S&P/NZX 50	S&P/ASX 200 (NZD)			
PPH	25.0%	+345bp	+0.7%	-1.9%	-0.1%	ATM	48.7%	-163bp	-24.0%	-26.6%	-24.8%			
EBO	10.8%	+262bp	+15.2%	+12.6%	+14.4%	KMD	41.2%	-155bp	+10.6%	+8.0%	+9.8%			
SKC	46.0%	+199bp	+24.7%	+22.1%	+23.9%	SPK	12.8%	-114bp	+6.9%	+4.3%	+6.1%			
SML	25.4%	+197bp	-22.8%	-25.4%	-23.6%	SKT	12.2%	-63bp	-5.3%	-7.9%	-6.2%			
FBU	43.9%	+161bp	+4.1%	+1.5%	+3.2%	GNE	9.3%	-59bp	+0.7%	-1.9%	-0.2%			

Source: Forsyth Barr analysis, ASX, Bloomberg, SPDJI, TR= total return of NZX listing.

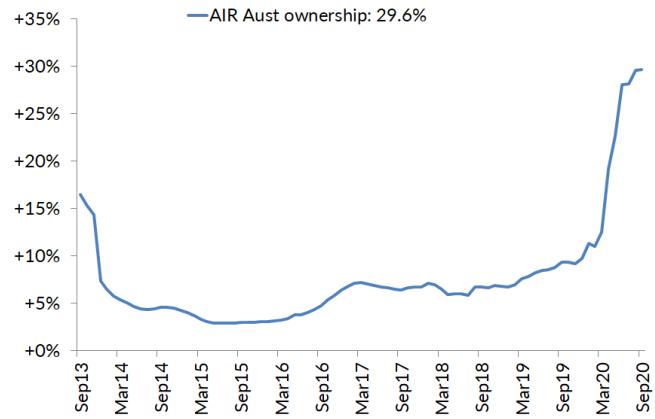
Below we present the breakdown by company of trends in Australian ownership. Prior to October 2017 this data was presented as a rolling 6 month average; from October 2017 onwards the data is as at end of month.

Figure 4. Australian free float ownership AIA



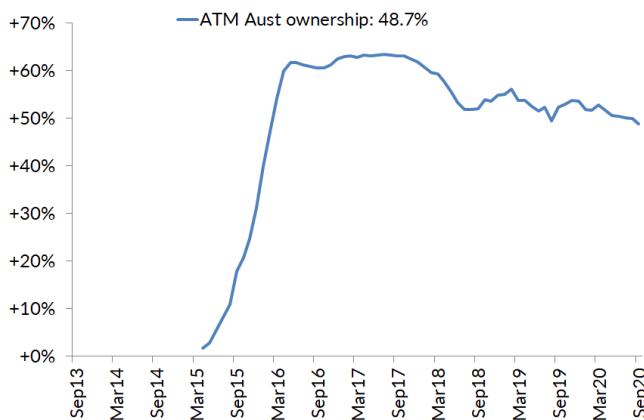
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 5. Australian free float ownership AIR



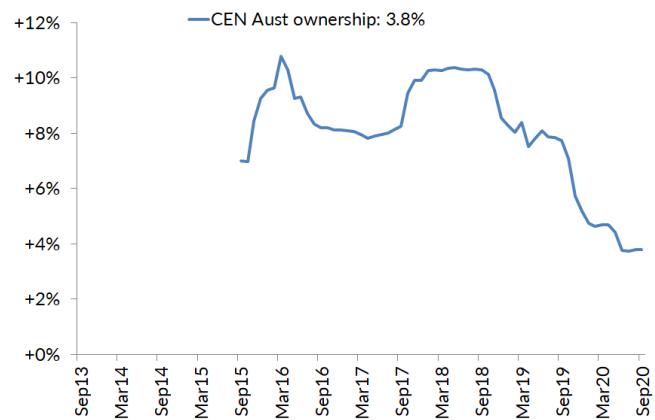
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 6. Australian free float ownership ATM

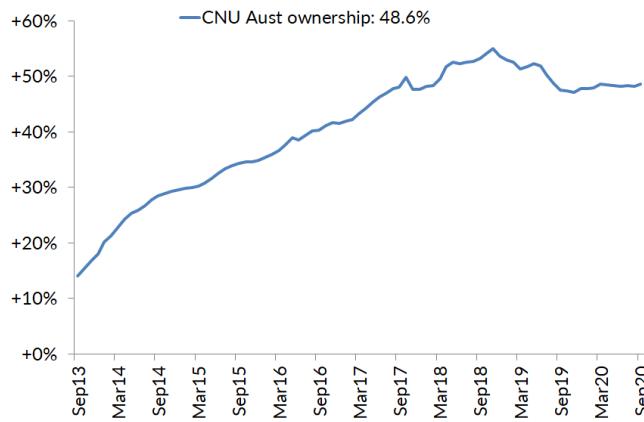


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

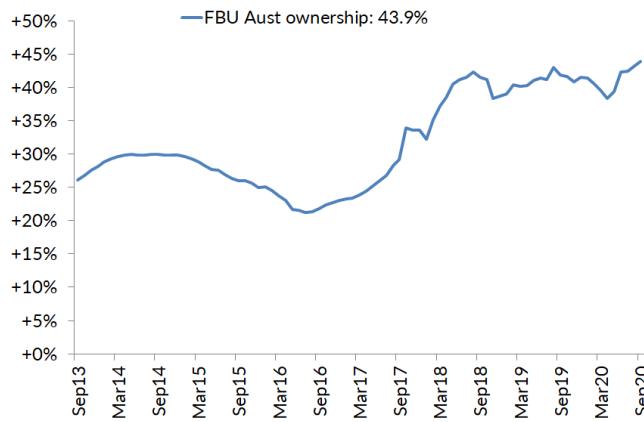
Figure 7. Australian free float ownership CEN



Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 8. Australian free float ownership CNU


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 10. Australian free float ownership FBU


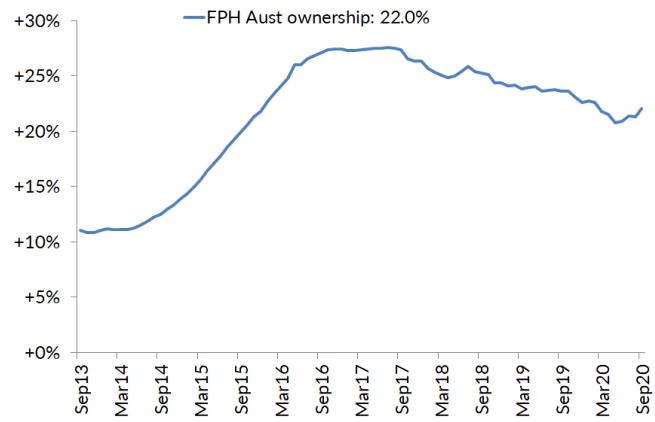
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 12. Australian free float ownership FSF

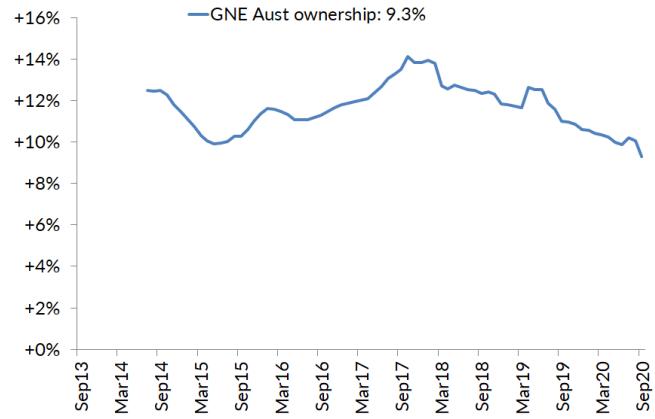

Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 9. Australian free float ownership EBO

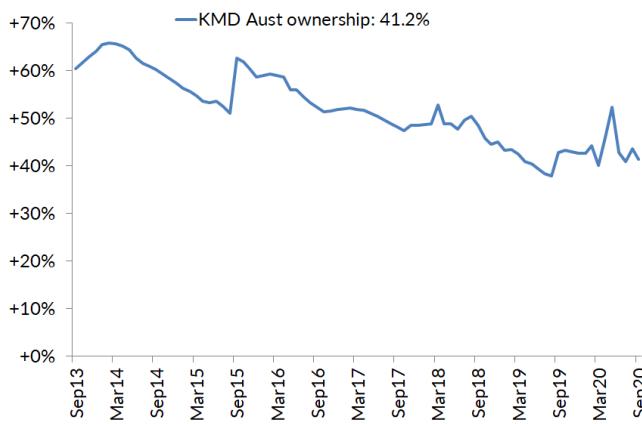

Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 11. Australian free float ownership FPH


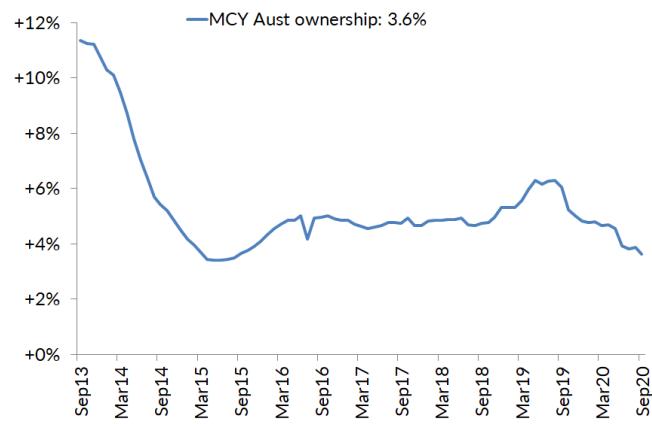
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 13. Australian free float ownership GNE


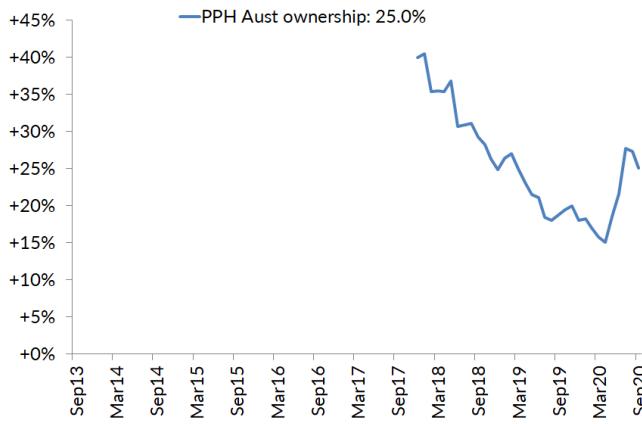
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 14. Australian free float ownership KMD


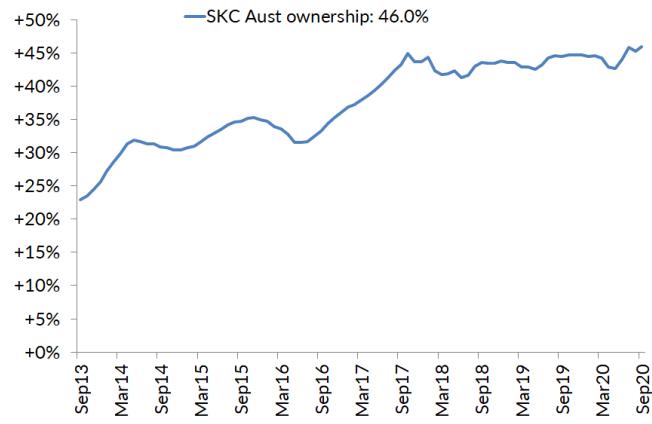
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 15. Australian free float ownership MCY


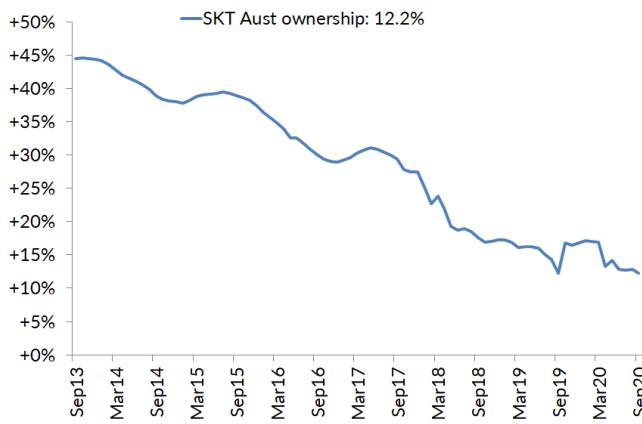
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 16. Australian free float ownership PPH


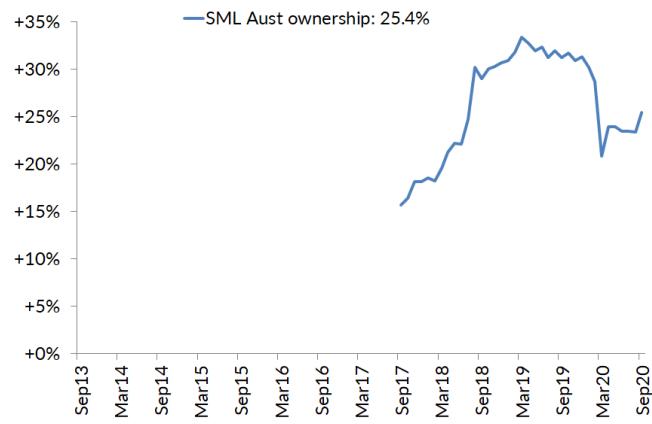
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 17. Australian free float ownership SKC


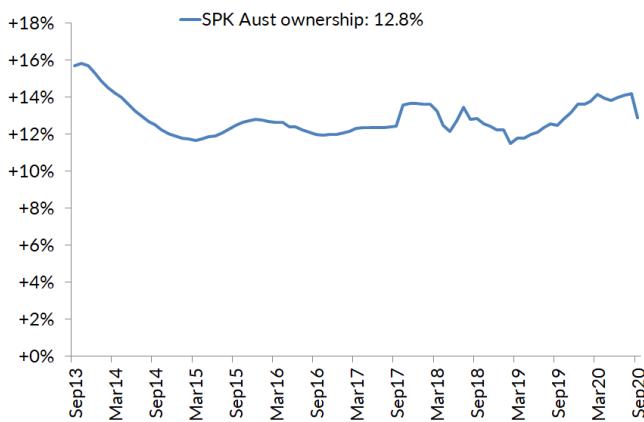
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 18. Australian free float ownership SKT


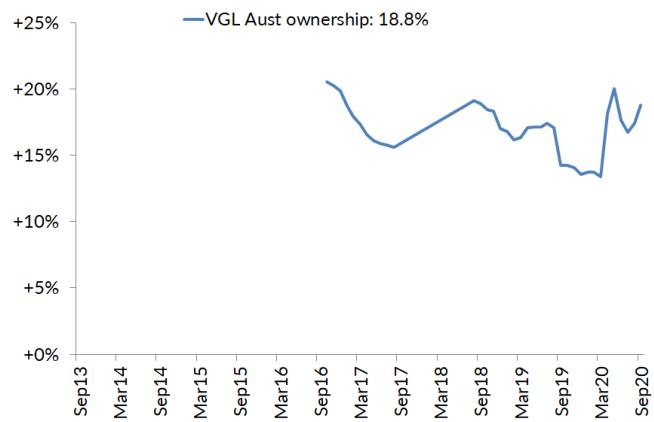
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 19. Australian free float ownership SML


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 20. Australian free float ownership SPK


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 21. Australian free float ownership VGL


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 22. Australian free float ownership ZEL


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

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