

A Month in the Market

October 2019

The S&P/NZX 50 G index fell -1.3% in October 2019, closing at 10,787.82. Large caps underperformed the Mid-caps with strength in Healthcare, Consumer Discretionary, and Industrials. Elsewhere Materials, Utilities, and Energy underperformed the benchmark. Off-shore markets, S&P/ASX200 Accum., S&P500 TR and FTSE100 TR returned -0.4%, +2.2% and -1.9% respectively (local currency).

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Figure 1. Index and Sector Movements: October 2019

S&P/NZX Indices	Value as at 31-Oct-19	Monthly Return	3 Month Return
S&P/NZX 50 Gross	10,787.82	-1.3%	-0.6%
S&P/NZX 50 Portfolio Gross	6,697.58	-1.8%	+0.3%
S&P/NZX Large Caps Gross	10,402.90	-1.6%	-2.3%
S&P/NZX Mid-Caps Gross	31,133.23	-0.6%	+1.7%
S&P/NZX Small Caps Gross	63,302.94	+2.6%	+3.9%

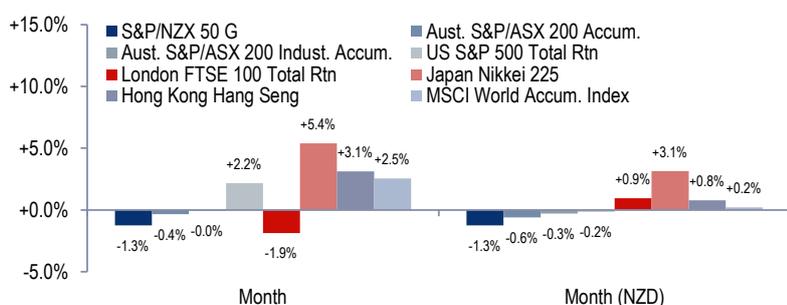
Source: Forsyth Barr analysis, IRESS



Movers and Shakers

The month of October finished with 23 positive returns and 27 negative returns and an overall range of 38.2%. Top performers for the month included FSF (+18.6%) FPH (+10.7%) and MET (+8.1%), whilst SKT (-19.6%), CEN (-13.6%) and THL (-12.7%) performed the worst. The main (positive) contributors to the index were FPH (+97bp), AIA and SPK with CEN (-76bp), MEL (-69bp) and FBU providing the largest negative contributions for the month.

Figure 2. International Returns, October 2019: Local and NZ\$ Returns



Source: Forsyth Barr analysis, Bloomberg

12 month forward Expected Total Return (ETR)

Our expected 12 month forward total returns are 2.8% (weighted) for the benchmark S&P/NZX 50 index or 4.5% on a median basis. Both include a cash dividend yield of ~3.4%. Large cap companies are expected to deliver 3.4% versus the mid-caps at 6.8%.

Figure 3. Expected 12 Month Forward Total Return (ETR)

	S&P/NZX 50		S&P/NZX Large Cap		S&P/NZX Mid Cap	
	Weighted	Median	Weighted	Median	Weighted	Median
Forsyth Barr	+2.8%	+4.5%	+3.4%	+3.6%	+6.8%	+1.5%
Consensus	+1.9%	+3.6%	+1.1%	+2.8%	+4.4%	+3.5%
Difference	+0.9%	+0.9%	+2.4%	+0.8%	+2.4%	-2.0%

Source: Forsyth Barr analysis, Bloomberg

Figure 4. Company Headlines: October 2019

Code	Date	Total Return (Oct 2019)	Headline
AIR	11/10/2019	+0.9%	Air New Zealand appointed Greg Foran, currently chief executive of Walmart US, as its new CEO from early next year.
AIR	23/10/2019	+0.9%	Air New Zealand will withdraw its Los Angeles to London route after October 2020 for a new direct flight between Auckland and New York.
ANZ	8/10/2019	-7.0%	ANZ Banking Group, says its annual results will be hit by an A\$559 million after-tax charge to cover the costs of remediating over-charging.
ANZ	29/10/2019	-7.0%	A date has been set for the first legal hurdle for Ross Asset Management investors in their class action against the ANZ Bank.
CEN	16/10/2019	-13.6%	Contact Energy said it is in talks with a dairy producer as part of its strategy to benefit from the country's efforts to decarbonise heavy industry.
CNU	9/10/2019	+5.0%	Chorus hired former NBN executive JB Rousselot as chief executive effective from 20 November.
CNU	31/10/2019	+5.0%	Chorus stated it is potentially open to investing mobile network assets, but would not comment on speculation it could be a buyer for assets built by mobile player 2Degrees.
EBO	7/10/2019	-1.4%	The New Zealand Shareholders' Association opposed Ebos Group's proposal to increase directors' fees by +28%.
EBO	15/10/2019	-1.4%	Ebos is paying A\$34 million to buy LMT and National Surgical in its first foray into the medical devices sector.
FBU	7/10/2019	-11.1%	Fletcher Building was sued for NZ\$7.5m by Electrix, one of the subcontractors on the Christchurch Justice and Emergency Services Precinct.
FBU	15/10/2019	-11.1%	Fletcher Building is in a \$31 million contractual dispute with the Ministry of Health.
FBU	30/10/2019	-11.1%	Evidence sworn in court details how Fletcher Building's relationship with its partners on the Christchurch justice precinct soured.
FPH	14/10/2019	+10.7%	Shares of Fisher & Paykel Healthcare rose above \$18 for the first time on Monday after the company raised its revenue and earnings guidance.
FRE	30/10/2019	-5.2%	Freightways will have something to talk about at Thursday's annual meeting after it announced an NZ\$117m acquisition of Big Chill Distribution.
FRE	31/10/2019	-5.2%	Freightways has more price hikes on the cards for its express package arm as the firm aims to fatten margins following a disappointing 1Q20 update.
FSF	21/10/2019	+18.6%	The Dairy Industry Restructuring Act needs to stop tilting the playing field in favour of foreign-backed competitors, According to Fonterra.
KMD	1/10/2019	+6.5%	Kathmandu Holdings will pay about \$368 million to buy surf brand Rip Curl to create a billion-dollar revenue retailer.
KMD	18/10/2019	+6.5%	Enough Kathmandu shareholders backed the NZ\$368m acquisition of surf brand Rip Curl to approve the deal.
KPG	30/10/2019	-4.8%	Kiwi Property Group plans to take advantage of a 22.3% share price gain to shore up its balance sheet by raising NZ\$210m of new equity.
MCY	8/10/2019	-0.9%	Mercury NZ chief executive Fraser Whineray will leave the electricity company next year to take a senior role at Fonterra Cooperative Group.
MCY	18/10/2019	-0.9%	Mercury NZ raised its full-year earnings guidance by NZ\$25m on the back of rising storage in its Waikato catchment.
MET	24/10/2019	+8.1%	Metlifecare took on board "robust feedback" from its major shareholders and will buy back up to NZ\$30m of shares.
POT	25/10/2019	+3.6%	Port of Tauranga is forecasting a full-year profit of up to \$101 million despite slightly weaker cargo volumes in the September quarter.
RBD	16/10/2019	+5.5%	Restaurant Brands New Zealand said it anticipates net profit after tax to be at least +10% higher next year as it continues to roll out new stores.
SKC	17/10/2019	-2.5%	SkyCity Entertainment Group hosed down union claims that almost half its convention centre workforce was at risk.
SKC	22/10/2019	-2.5%	SkyCity Entertainment Group shares dropped to a seven-week low in a knee-jerk reaction to news of a major fire.
SKC	23/10/2019	-2.5%	SkyCity Entertainment Group won't name its insurer but said that the consequences of the fire in the roof of the new convention centre will be fully covered.
SKC	24/10/2019	-2.5%	SkyCity Entertainment has taken a phased approach to resuming normal business after fire devastated the neighbouring construction site of its new convention centre.
SKT	10/10/2019	-19.6%	Sky Network Television shares plunged after Spark New Zealand secured the broadcasting rights for NZ cricket.
SKT	11/10/2019	-19.6%	Sky Network Television bounced back from the loss of the domestic cricket broadcasting rights with a World Cup coverage deal.
SKT	17/10/2019	-19.6%	Sky Network Television chief executive Martin Stewart was put on notice by shareholders, with a sizeable vote against his pay package.
SKT	22/10/2019	-19.6%	Sky Network Television continued its drive to keep a grip on domestic sports, signing up Netball New Zealand's broadcasting rights

Source: Forsyth Barr analysis, Sharechat

Figure 5. Company Headlines: October 2019 – Cont'd

Code	Date	Total Return (Oct 2019)	Headline
SML	25/10/2019	+3.3%	Synlait Milk announced the conditional purchase of South Canterbury's Dairyworks for \$112 million.
SML	29/10/2019	+3.3%	Synlait Milk has won the right to appeal a decision restricting the land where it built its new \$260 million Pokeno factory to grazing, lifestyle farming and forestry.
SUM	8/10/2019	-0.6%	Summerset Group's third-quarter sales were up +11.5% from a year earlier as resales lifted and new sales remained firm.
THL	21/10/2019	-12.7%	Tourism Holdings shares fell after it said its US business is still failing to fire, with the average vehicle sales margin down -40% in the first quarter.
VHP	3/10/2019	-2.2%	Vital Healthcare Property Trust's investors will be asked to vote at the company's AGM on 31 October on the new management fee structure.
VHP	24/10/2019	-2.2%	NorthWest Healthcare Properties REIT has appointed Aaron Hockly as the new manager of its NZX-listed Vital Healthcare Property Trust.
VHP	31/10/2019	-2.2%	Vital's gearing is expected to rise to ~42% as a result of debt funded developments, however its management states such a level of gearing isn't considered high for a vehicle of its type.
ZEL	31/10/2019	-4.3%	Z Energy has reported a -72% fall in first-half net profit at its 1H20 result after writing NZ\$35m off the value of its stake in spot power retailer Flick Electric.

Source: Forsyth Barr analysis, Sharechat

Figure 6. Economic Headlines: October 2019

Date	Headline
1/10/2019	Businesses continued to sink deeper into gloom during the September quarter and that will likely shave annual GDP growth to below 1%.
1/10/2019	The Guardians of the New Zealand Superannuation Fund opposed the government's Venture Capital Fund being part of the Super Fund.
1/10/2019	The Reserve Bank will review the details of its bank capital proposals in light of the three independent reviews it released this week.
2/10/2019	Dairy product prices eked out a gain at the Global Dairy Trade auction, rising for the third time in the past ten auctions.
3/10/2019	The uptake of electric vehicles is on the rise as pure EVs broke into the top three passenger/SUV models registered for the first time last month.
3/10/2019	An independent review panel said relocating freight operations from Ports of Auckland to Northport over time would improve efficiency.
4/10/2019	New Zealand's Minister of State for Trade and Export Growth Damien O'Connor heads to Bangkok this week for an additional round of talks.
4/10/2019	Accounting software firm Intuit's latest numbers suggest its subscriber growth and net promoter score are rivalling or even exceeding those of Xero.
8/10/2019	Dutch and Kiwi farmers must innovate together, the Prime Minister of the Netherlands Mark Rutte said, announcing a joint cooperation.
11/10/2019	New Zealand's manufacturing activity shrank for a third month in September.
11/10/2019	The government plans to cut red tape for prefabricated building processes, introduce minimal building product standards.
14/10/2019	The first increase in international guest nights for nine months gave accommodation operators some reprieve.
15/10/2019	House price inflation continued to tick higher in September and national sales volumes recovered to the highest level for the month in three years.
16/10/2019	Consumer prices rose +0.7% in the September quarter, above the Reserve Bank's +0.5% estimate.
16/10/2019	Dairy product prices rose at the Global Dairy Trade auction as whole milk powder prices held steady.
18/10/2019	MediaWorks's CEO said 'Three' isn't a failing business but needs a new owner to navigate a market skewed in favour of state-owned Television.
23/10/2019	The major fire in downtown Auckland has added another layer of complexity to who should bear the cost of delays to the International Convention Centre.
23/10/2019	The September trade deficit was narrower than expected as a surge in butter, milk and cheese exports offset a slide in logs and fruit.
24/10/2019	Farming groups will need to spend at least NZ\$25m a year to develop tools and technologies for measuring and reducing agricultural emissions.
25/10/2019	Federated Farmers' submission on proposed changes to the law governing the dairy sector garnered extra clout among MPs.
30/10/2019	Transpower is urging the electricity industry to avoid scheduling any maintenance in November so it can maintain a sufficient capacity buffer.
31/10/2019	Business confidence improved in October but remains deeply negative and firms' optimism about their own activity continues to fall.
31/10/2019	Company directors and fund managers who fail to manage investment risks associated with climate change are failing in their legal duties under the Companies Act, according to a legal opinion commissioned by new business lobby group The Aotearoa Circle.
31/10/2019	Multi-unit homes helped propel the number of new housing consents to their highest level since the October 1974 year. Apartment buildings, townhouse complexes and retirement villages accounted for 40% of total housing consents in the year ended September 30.

Source: Forsyth Barr analysis, Sharechat

Figure 7. Forsyth Barr Ratings Changes: October 2019

Code	Indicator	Current Rating	Previous Rating	Date	Comment
CNU	▲	OUTPERFORM	NEUTRAL	10/10/2019	Valuation. We remain attracted to CNU's attractive fundamental value and the considerable long-term free cash flow we expect the company to generate once its ultra-fast broadband (UFB) fibre network is complete in 2022.
MHJ	▲	NEUTRAL	UNDERPERFORM	14/10/2019	Strategy execution. Following a strong 1Q20 result with evidence of execution on productivity improvements in Canada, market share gains in all markets, and encouraging margin commentary, we have become more confident in management's new retail strategy.
THL	▼	NEUTRAL	OUTPERFORM	22/10/2019	Profit warning. A further profit warning has increased uncertainty regarding THL's near term earnings outlook. Earnings uncertainty stems from challenges in the US vehicle sales market, where THL's volumes and margins are substantially below historic trend levels.

Source: Forsyth Barr analysis

Figure 8. Forsyth Barr Target Price and Earnings Changes: October 2019

Code	Target Price Change	Key Earnings Changes	Comment
CEN	n/a	EBITDA: ▼ FY20 -4.4%, ▲ FY21 +0.2%	Operating stats. A poor start to FY20 and hydro storage well below average has led to a -\$21m FY20 EBITDAF cut to \$467m.
CNU	▲ NZ\$5.80 (from NZ\$5.20)	EBITDA: ▼ FY20 -0.9%, ▼ FY21 -2.9%	Minor changes. We make immaterial changes to earnings forecasts as part of our update in anticipation of the ComCom announcing its draft "input methodologies" decision on November 5th.
FPH	▲ NZ\$16.00 (from NZ\$15.00)	NPAT: ▲ FY20 +3.5%, ▲ FY21 +2.7%	Guidance update. We upgrade our forecasts in line with FPH's updated guidance, with key drivers earlier FDA sign-off for the new OSA mask, lift in R&D spend tax credit, and favourable FX moves.
FRE	▼ NZ\$8.10 (from NZ\$8.30)	NPAT: ▼ FY20 -5.5%, ▼ FY21 -5.7%	1Q20 trading update. FRE's update flagged weaker parcel demand and ongoing challenges in Information Management. While a concern, first quarter growth shouldn't be extrapolated.
KMD	▲ NZ\$3.00 (from NZ\$2.95)	NPAT: ▲ FY20 +33.6%, ▲ FY21 +45.3%	Rip Curl acquisition. Earnings upgrades have been driven by the inclusion of Rip Curl to our forecasts. We forecast Rip Curl revenue growth of ~+3%, in line with broader category growth in the near-term.
MCY	▲ NZ\$4.55 (from NZ\$4.45)	EBITDA: ▲ FY20 +5.2%, ▲ FY21 +1.1%	Wholesale electricity price. The assumed wholesale electricity price increase is more material in FY20 (up +12%) and is only up +3% in FY21 and less than +1% in FY22.
MEL	▲ NZ\$4.25 (from NZ\$4.20)	EBITDA: ▲ FY20 +6.6%, ▲ FY21 +0.4%	Operating stats. The driver of our earnings uplift is the strong start and the expectation the next few months will continue to be favourable for MEL.
MFT	▲ NZ\$37.00 (from NZ\$36.00)	EBITDA: ▼ FY20 -3.0%, ▼ FY21 -6.6%	Cyclical conditions. Forecast reductions reflect lower revenue growth expectations in all geographies reflective of deteriorating cyclical conditions.
MHJ	▲ NZ\$0.70 (from NZ\$0.50)	EBIT: ▲ FY20 +10.0%, ▲ FY21 +11.5%	1Q20 sales update. We have lifted our same store sales assumptions across all markets. Canada is the key driver of the upgrades following a strong 1Q20 which illustrated execution on management's productivity initiatives.
NPH	n/a	EBITDA: ▼ FY19 -1.8%, FY20 nc	Year-end volume update. Forecasts changes reflect lower than expected log export volumes, which were partially offset by modestly better container volumes.
POT	n/a	NPAT: ▼ FY20 -5.8%, ▼ FY21 -5.4%	FY20 guidance. First time FY20 NPAT guidance of NZ\$96m–NZ\$101m, was a -4% to -9% cut to consensus estimates. We revised our estimates to the top of this range.
RBD	▲ NZ\$10.30 (from NZ\$9.30)	NPAT: ▲ FY20 +0.1%, ▲ FY21 +0.9%	FY20 result. Lowered EBITDA margin assumptions for Pizza Hut and smaller negative revisions to both Carl's Jr and Taco Bell Hawaii are offset by both higher sales and margin assumptions for KFC New Zealand.
SAN	▲ NZ\$8.10 (from NZ\$7.70)	EBIT: ▲ FY19 +0.3%, ▼ FY20 -1.7%	Wild catch mix. We have lifted our FY19 revenue assumptions slightly to reflect strong squid catch and mussel volumes offsetting weakness elsewhere. Further out we have reduced our margin forecasts, dropping our price assumptions and increasing both labour and marketing costs.

Source: Forsyth Barr analysis

Figure 9. Forsyth Barr Target Price and Earnings Changes: October 2019 – Cont'd

Code	Target Price Change	Key Earnings Changes	Comment
THL	▼ NZ\$4.00 (from NZ\$4.70)	NPAT: ▼ FY20 -20.4%, ▼ FY21 -14.7%	Profit warning. THL's pre-ASM profit warning has led us to make material cuts to our earnings estimates.
TLT	▲ NZ\$3.00 (from NZ\$2.80)	EBITDA: ▲ FY20 +6.4%, ▲ FY21 +3.3%	1H20 result. TLT upgraded full year guidance following a strong 1H result, we move our forecasts slightly ahead of this updated guidance range.
TPW	▲ NZ\$8.20 (from NZ\$8.00)	EBITDA: ▲ FY20 +0.4%, ▲ FY21 +0.7%	Operating stats. We make minor changes to FY20, reflecting TPW's 2Q20 operating stats, with modest increases longer term due to a firmer wholesale price outlook.
ZEL	▼ NZ\$5.20 (from NZ\$5.40)	EBITDA: ▲ FY20 +6.0%, ▲ FY21 +1.9%	1H20 result. Primary driver of underlying forecast changes is increased OPEX, along with taking a more cautious view on retail margins. We also incorporate IFRS16 adjustments.

Source: Forsyth Barr analysis

Figure 10. Forsyth Barr Target Price and Earnings Changes: October 2019 Summary

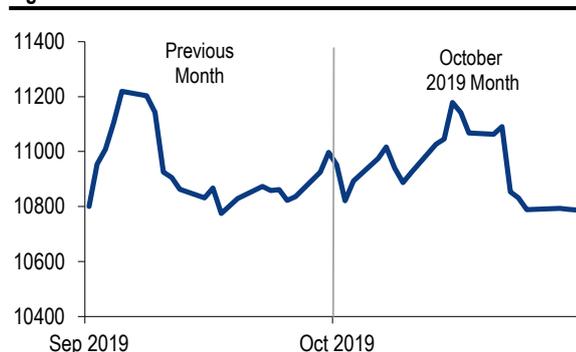
	Key Earnings Changes		
	Target Price Changes	Forecast Year1	Forecast Year2
Upgrade ▲	11	10	10
Downgrade ▼	3	7	6

Source: Forsyth Barr analysis

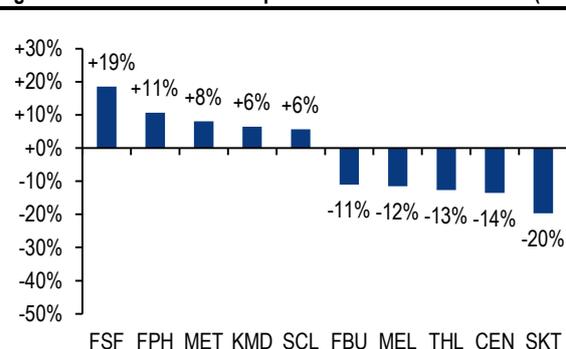
Figure 11. Change in Substantial Security Holder Notices (SSH), Forsyth Barr Universe

Code	Company Name	Shareholder Name	Initial Holding	Holding after Change	Change
CNU	Chorus	Commonwealth Bank of Australia	n/a	5.04%	n/a
		ACC	5.01%	4.96%	-0.04%
FRE	Freightways	Fisher Funds Management	7.98%	6.94%	-1.04%
		Investment Services Group	n/a	5.75%	n/a
GTK	Gentrack Group	Harbour Asset Management & Jarden Securities Limited	5.85%	4.85%	-1.00%
		BlackRock Investment Management	5.15%	4.95%	-0.19%
KMD	Kathmandu Holdings	Briscoe Group	18.90%	17.71%	-1.19%
NZM	NZME	Spheria Asset Management	8.83%	10.28%	+1.45%
PFI	Property for Industry	Forsyth Barr Investment Management	5.02%	4.96%	-0.05%
SKL	Skellerup Holdings	ACC	6.53%	5.51%	-1.02%
SKT	SKY Network Television	Harris & Associates LP	5.11%	4.98%	-0.13%
VGL	Vista Group International	Fisher Funds Management	9.70%	10.96%	+1.26%
		Investment Services Group	5.72%	6.72%	+1.00%
ZEL	Z Energy	Investment Services Group	n/a	5.01%	n/a

Source: Forsyth Barr analysis, NZX

Figure 12. S&P/NZX 50 G Index


Source: Forsyth Barr analysis

Figure 13. S&P/NZX 50 G w/Imp: Best and Worst Performers (1 mth)


Source: Forsyth Barr analysis

Figure 14. Index and Sector Movements: 1, 3, 6 & 12 Months (October 2019)

S&P/NZX Indices	Value as at 31 Oct 19	Monthly Return	3 Month Return	6 Month Return	12 Month Return
S&P/NZX 50 Gross	10,787.82	-1.3%	-0.6%	+7.7%	+23.3%
S&P/NZX 50 Portfolio Gross	6,697.58	-1.8%	+0.3%	+8.7%	+22.9%
S&P/NZX Large Caps Gross	10,402.90	-1.6%	-2.3%	+6.1%	+23.8%
S&P/NZX Mid-Caps Gross	31,133.23	-0.6%	+1.7%	+10.2%	+23.1%
S&P/NZX Small Caps Gross	63,302.94	+2.6%	+3.9%	+4.8%	+0.9%
S&P/NZX All Consumer Discretionary Gross	1,359.26	+1.5%	+9.8%	+10.5%	+23.2%
S&P/NZX All Consumer Staples Gross	5,118.80	-0.6%	-22.0%	-18.4%	+16.9%
S&P/NZX All Energy Gross	1,096.33	-3.7%	-15.4%	-9.1%	-6.1%
S&P/NZX All Financials Gross	1,087.93	+1.1%	+4.3%	+11.1%	+14.0%
S&P/NZX All Health Care Gross	2,138.87	+4.3%	+9.4%	+15.6%	+21.8%
S&P/NZX All Index Gross	11,668.66	-1.0%	-0.5%	+7.6%	+22.2%
S&P/NZX All Industrials Gross	2,095.59	+1.4%	+0.7%	+13.0%	+28.0%
S&P/NZX All Information Technology Gross	1,622.04	+0.6%	-14.9%	-8.3%	-0.0%
S&P/NZX All Materials Gross	678.47	-10.5%	-4.3%	-8.7%	-20.6%
S&P/NZX All Real Estate Gross	1,772.81	-2.8%	+2.2%	+16.2%	+35.5%
S&P/NZX All Telecommunication Services Gross	2,011.53	+1.3%	+9.1%	+13.2%	+12.6%
S&P/NZX All Utilities Gross	2,156.42	-7.3%	+1.8%	+17.4%	+46.0%

Source: Forsyth Barr analysis, IRESS

Figure 15. International Returns (local currency): October 2019

Market (local returns)	Last	Month to Date	Year to Date	3 months	12 months	5 year	10 year
S&P/NZX 50 G	10,787.82	-1.3%	+22.4%	-0.6%	+23.3%	+14.9%	+12.9%
S&P/NZX 10 G	10,402.90	-1.6%	+25.1%	-2.3%	+23.8%	+13.6%	+12.2%
S&P/NZX Mid Cap G	31,133.23	-0.6%	+19.3%	+1.7%	+23.1%	+17.0%	+15.1%
S&P/NZX Small Cap G	63,302.94	+2.6%	+8.5%	+3.9%	+0.9%	+12.4%	+11.6%
S&P/NZX All Real Estate G	1,772.81	-2.8%	+28.3%	+2.2%	+35.5%	+14.7%	+12.7%
Aust. S&P/ASX 200 Accum.	71,699.29	-0.4%	+22.1%	-0.9%	+19.3%	+8.5%	+8.3%
Aust. S&P/ASX 200 Indust. Accum.	143,038.90	-0.0%	+23.0%	+0.4%	+19.9%	+8.5%	+10.1%
Aust. S&P/ASX 200 A-REIT Accum.	59,273.46	+1.2%	+22.0%	-0.4%	+23.6%	+12.4%	+12.3%
US S&P 500 Total Rtn	6,138.73	+2.2%	+23.2%	+2.4%	+14.3%	+10.8%	+13.7%
London FTSE 100 Total Rtn	6,671.59	-1.9%	+12.1%	-3.1%	+6.5%	+6.3%	+7.7%
German DAX 30	12,866.79	+3.5%	+21.9%	+5.6%	+12.4%	+6.6%	+9.0%
France CAC 40 Total Rtn	15,542.73	+0.9%	+24.8%	+4.0%	+16.3%	+9.8%	+8.6%
Japan Nikkei 225	22,927.04	+5.4%	+14.6%	+6.5%	+4.6%	+6.9%	+8.6%
Hong Kong Hang Seng	26,906.72	+3.1%	+4.1%	-3.1%	+7.7%	+2.3%	+2.1%
MSCI World Accum. Index	6,526.90	+2.5%	+20.6%	+2.6%	+12.7%	+7.6%	+9.5%
MSCI New Zealand	576.37	+2.0%	+20.0%	-4.8%	+22.2%	+8.0%	+9.5%
NZDAUD	0.9303	+0.3%	-2.4%	-2.9%	+1.0%	+1.0%	+1.5%
NZDUSD	0.6413	+2.4%	-4.6%	-2.2%	-1.6%	-3.8%	-1.1%

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

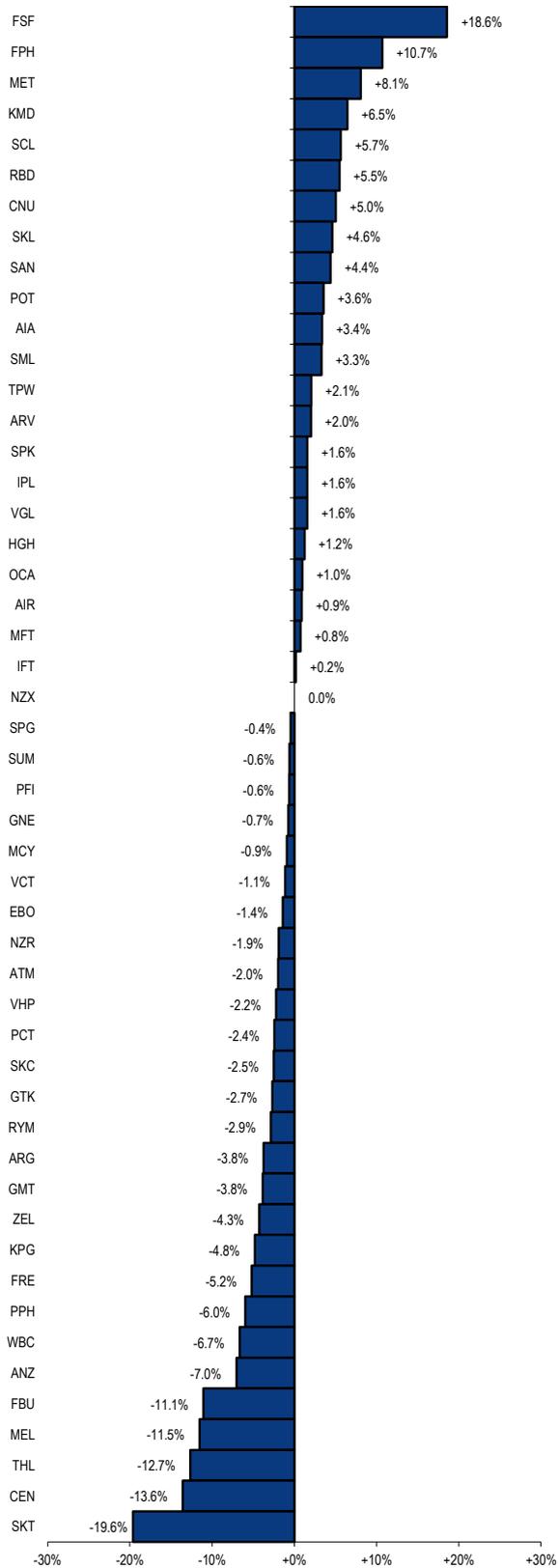
Figure 16. International Returns (NZ\$): October 2019

Market (NZ\$)	Last	Month to Date	Year to Date	3 months	12 months	5 year	10 year
S&P/NZX 50 G	10,787.82	-1.3%	+22.4%	-0.6%	+23.3%	+14.9%	+12.9%
S&P/NZX 10 G	10,402.90	-1.6%	+25.1%	-2.3%	+23.8%	+13.6%	+12.2%
S&P/NZX Mid Cap G	31,133.23	-0.6%	+19.3%	+1.7%	+23.1%	+17.0%	+15.1%
S&P/NZX Small Cap G	63,302.94	+2.6%	+8.5%	+3.9%	+0.9%	+12.4%	+11.6%
S&P/NZX All Real Estate G	1,772.81	-2.8%	+28.3%	+2.2%	+35.5%	+14.7%	+12.7%
Aust. S&P/ASX 200 Accum.	71,699.29	-0.6%	+25.1%	+2.1%	+18.2%	+7.4%	+6.7%
Aust. S&P/ASX 200 Indust. Accum.	143,038.90	-0.3%	+26.0%	+3.5%	+18.8%	+7.5%	+8.4%
Aust. S&P/ASX 200 A-REIT Accum.	59,273.46	+1.0%	+25.0%	+2.6%	+22.4%	+11.3%	+10.6%
US S&P 500 Total Rtn	6,138.73	-0.2%	+29.0%	+5.4%	+16.3%	+15.2%	+15.0%
London FTSE 100 Total Rtn	6,671.59	+0.9%	+19.2%	+5.6%	+9.9%	+5.9%	+6.4%
German DAX 30	12,866.79	+3.4%	+24.1%	+8.8%	+12.7%	+8.3%	+7.2%
France CAC 40 Total Rtn	15,542.73	+0.8%	+27.3%	+7.2%	+16.7%	+11.6%	+6.8%
Japan Nikkei 225	22,927.04	+3.1%	+22.5%	+10.2%	+11.4%	+12.0%	+7.9%
Hong Kong Hang Seng	26,906.72	+0.8%	+9.0%	-0.4%	+9.6%	+6.2%	+3.2%
MSCI World Accum. Index	6,526.90	+0.2%	+26.3%	+5.6%	+14.6%	+11.9%	+10.7%
MSCI New Zealand	576.37	-0.3%	+25.7%	-2.0%	+24.4%	+12.3%	+10.8%
NZDAUD	0.9303	+0.3%	-2.4%	-2.9%	+1.0%	+1.0%	+1.5%
NZDUSD	0.6413	+2.4%	-4.6%	-2.2%	-1.6%	-3.8%	-1.1%

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

October 2019 Month

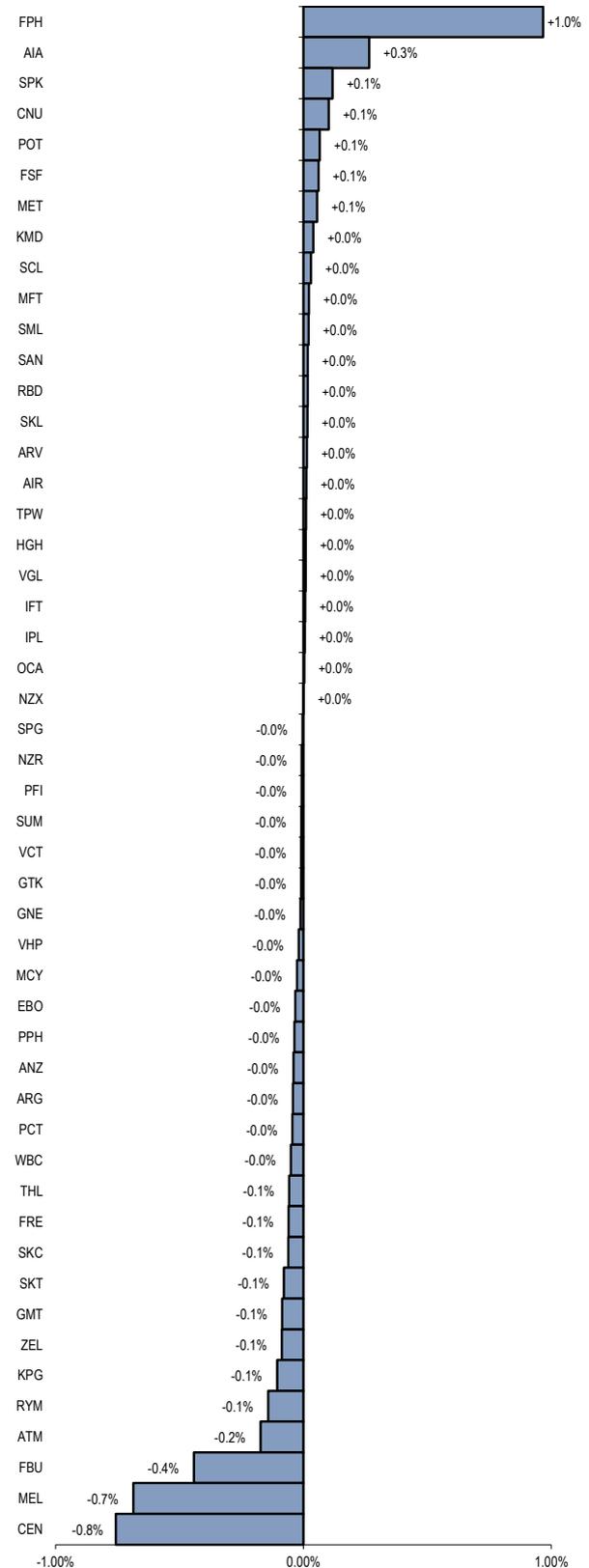
Figure 17. S&P/NZX 50 G w/Imp Index: Company Returns (month)



Source: Forsyth Barr analysis

Individual returns calculated as the product of the monthly % change i.e. (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 18. S&P/NZX 50 G w/Imp Index: Contribution (month)



Source: Forsyth Barr analysis

S&P/NZX 50 Capital: October 2019 Month

Figure 19. S&P/NZX 50 Capital Index

Company	Month ending	Price \$ Oct-19	% Change October	Contribution %	No. Shares (millions)	Mkt Cap. (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1 F&P Healthcare		19.15	+10.7%	+1.0%	573.93	10,990.76	10.09
2 A2 Corporation		13.00	-2.0%	-0.2%	735.08	9,556.04	8.77
3 Auckland Int. Airport		9.30	+1.6%	+0.1%	944.83	8,786.89	8.07
4 Spark NZ		4.48	+1.6%	+0.1%	1,836.19	8,226.14	7.55
5 Meridian Energy		4.60	-11.5%	-0.7%	1,255.87	5,777.00	5.30
6 Ryman Healthcare		12.91	-2.9%	-0.1%	-	-	-
7 Contact Energy		7.38	-13.6%	-0.8%	-	-	-
8 Fletcher Building		4.58	-11.1%	-0.4%	-	-	-
9 Mainfreight		40.20	+0.8%	+0.0%	-	-	-
10 Infratil		4.93	+0.2%	+0.0%	-	-	-
11 Mercury NZ		4.97	-0.9%	-0.0%	-	-	-
12 SKYCITY		3.91	-2.5%	-0.1%	-	-	-
13 Ebos Group		24.65	-1.4%	-0.0%	-	-	-
14 Goodman Property Trust		2.13	-3.8%	-0.1%	-	-	-
15 Chorus		5.31	+5.0%	+0.1%	-	-	-
16 Kiwi Property Group		1.59	-4.8%	-0.1%	-	-	-
17 Z Energy		5.36	-4.3%	-0.1%	-	-	-
18 Port of Tauranga		6.69	+3.6%	+0.1%	-	-	-
19 Precinct Properties NZ		1.82	-2.4%	-0.0%	-	-	-
20 Genesis Energy		3.28	-4.1%	-0.1%	-	-	-
21 Air New Zealand		2.83	+0.9%	+0.0%	-	-	-
22 Summerset Group		6.58	-0.6%	-0.0%	-	-	-
23 Freightways		7.70	-5.2%	-0.1%	-	-	-
24 Property for Industry		2.39	-0.6%	-0.0%	-	-	-
25 Argosy Property		1.41	-3.8%	-0.0%	-	-	-
26 Vital Healthcare Property Trust		2.66	-2.2%	-0.0%	-	-	-
27 Vector		3.56	-1.1%	-0.0%	-	-	-
28 Heartland Bank		1.64	+1.2%	+0.0%	-	-	-
29 Stride Property Group		2.31	-0.4%	-0.0%	-	-	-
30 Metlifecare		4.82	+8.1%	+0.1%	-	-	-
31 Arvida Group		1.51	+2.0%	+0.0%	-	-	-
32 Westpac		30.15	-6.7%	-0.0%	-	-	-
33 Synlait Milk		9.40	+3.3%	+0.0%	-	-	-
34 Kathmandu		3.14	+6.5%	+0.0%	-	-	-
35 Vista Group		3.90	+1.6%	+0.0%	-	-	-
36 Scales Corporation		5.23	+5.7%	+0.0%	-	-	-
37 Pushpay Holdings		3.15	-6.0%	-0.0%	-	-	-
38 TrustPower		8.44	+2.1%	+0.0%	-	-	-
39 ANZ		28.78	-7.0%	-0.0%	-	-	-
40 Sanford		7.10	+4.4%	+0.0%	-	-	-
41 Tourism Holdings		3.55	-16.1%	-0.1%	-	-	-
42 Fonterra Shareholders Fund		4.15	+18.6%	+0.1%	-	-	-
43 Skellerup Holdings		2.30	+0.4%	+0.0%	-	-	-
44 Investore		1.93	+1.6%	+0.0%	-	-	-
45 Gentrack Group		5.10	-2.7%	-0.0%	-	-	-
46 Restaurant Brands		11.92	+5.5%	+0.0%	-	-	-
47 NZ Refining		2.05	-1.9%	-0.0%	-	-	-
48 Oceania Healthcare		1.03	+1.0%	+0.0%	-	-	-
49 NZX		1.29	0.0%	+0.0%	-	-	-
50 Sky Network Television		0.90	-19.6%	-0.1%	-	-	-
Market Capital						\$108,923.17	100
S&P/NZX 50 C Index						4641.65	-1.42%
S&P/NZX 50 C Portfolio Index						2953.98	-1.94%

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

S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index.

S&P/NZX 50 G: October 2019 Month

Figure 20. S&P/NZX 50 G Index

Company	Month ending	Price \$ Oct-19	Gross Div. \$	% Change October	Contribution %	No. Shares (millions)	Mkt Cap. (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1 F&P Healthcare		19.15		+10.7%	+1.0%	573.93	10,990.76	10.09
2 A2 Corporation		13.00		-2.0%	-0.2%	735.08	9,556.04	8.77
3 Auckland Int. Airport		9.30	0.1125	+2.9%	+0.2%	944.83	8,786.89	8.07
4 Spark NZ		4.48		+1.6%	+0.1%	1,836.19	8,226.14	7.55
5 Meridian Energy		4.60		-11.5%	-0.7%	1,255.87	5,777.00	5.30
6 Ryman Healthcare		12.91		-2.9%	-0.1%	-	-	-
7 Contact Energy		7.38		-13.6%	-0.8%	-	-	-
8 Fletcher Building		4.58		-11.1%	-0.4%	-	-	-
9 Mainfreight		40.20		+0.8%	+0.0%	-	-	-
10 Infratil		4.93		+0.2%	+0.0%	-	-	-
11 Mercury NZ		4.97		-0.9%	-0.0%	-	-	-
12 SKYCITY		3.91		-2.5%	-0.1%	-	-	-
13 Ebos Group		24.65		-1.4%	-0.0%	-	-	-
14 Goodman Property Trust		2.13		-3.8%	-0.1%	-	-	-
15 Chorus		5.31		+5.0%	+0.1%	-	-	-
16 Kiwi Property Group		1.59		-4.8%	-0.1%	-	-	-
17 Z Energy		5.36		-4.3%	-0.1%	-	-	-
18 Port of Tauranga		6.69		+3.6%	+0.1%	-	-	-
19 Precinct Properties NZ		1.82		-2.4%	-0.0%	-	-	-
20 Genesis Energy		3.28	0.0860	-1.5%	-0.0%	-	-	-
21 Air New Zealand		2.83		+0.9%	+0.0%	-	-	-
22 Summerset Group		6.58		-0.6%	-0.0%	-	-	-
23 Freightways		7.70		-5.2%	-0.1%	-	-	-
24 Property for Industry		2.39		-0.6%	-0.0%	-	-	-
25 Argosy Property		1.41		-3.8%	-0.0%	-	-	-
26 Vital Healthcare Property Trust		2.66		-2.2%	-0.0%	-	-	-
27 Vector		3.56		-1.1%	-0.0%	-	-	-
28 Heartland Bank		1.64		+1.2%	+0.0%	-	-	-
29 Stride Property Group		2.31		-0.4%	-0.0%	-	-	-
30 Metlifecare		4.82		+8.1%	+0.1%	-	-	-
31 Arvida Group		1.51		+2.0%	+0.0%	-	-	-
32 Westpac		30.15		-6.7%	-0.0%	-	-	-
33 Synlait Milk		9.40		+3.3%	+0.0%	-	-	-
34 Kathmandu		3.14		+6.5%	+0.0%	-	-	-
35 Vista Group		3.90		+1.6%	+0.0%	-	-	-
36 Scales Corporation		5.23		+5.7%	+0.0%	-	-	-
37 Pushpay Holdings		3.15		-6.0%	-0.0%	-	-	-
38 TrustPower		8.44		+2.1%	+0.0%	-	-	-
39 ANZ		28.78		-7.0%	-0.0%	-	-	-
40 Sanford		7.10		+4.4%	+0.0%	-	-	-
41 Tourism Holdings		3.55	0.1400	-13.2%	-0.1%	-	-	-
42 Fonterra Shareholders Fund		4.15		+18.6%	+0.1%	-	-	-
43 Skellerup Holdings		2.30	0.0750	+3.9%	+0.0%	-	-	-
44 Investore		1.93		+1.6%	+0.0%	-	-	-
45 Gentrack Group		5.10		-2.7%	-0.0%	-	-	-
46 Restaurant Brands		11.92		+5.5%	+0.0%	-	-	-
47 NZ Refining		2.05		-1.9%	-0.0%	-	-	-
48 Oceania Healthcare		1.03		+1.0%	+0.0%	-	-	-
49 NZX		1.29		0.0%	+0.0%	-	-	-
50 Sky Network Television		0.90		-19.6%	-0.1%	-	-	-
Market Capital							\$108,923.17	100
Accumulated Dividend							\$180.23	
S&P/NZX 50 G Index							10787.82	-1.26%
S&P/NZX 50 G Portfolio Index							6697.58	-1.79%

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

S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index.

S&P/NZX 50 G w/Imp: October 2019 Month

Figure 21. S&P/NZX 50 G w/Imp Index (month)

Company	Month ending	Price \$ Oct-19	Gross Div. w/Imp (\$)	% Change October	Contribution %	No. Shares (millions)	Mkt Cap. (\$mil)	S&P/NZX 50 Ind'l Wgtg %	
1 F&P Healthcare		19.15		+10.7%	+1.0%	573.93	10,990.76	10.09	
2 A2 Corporation		13.00		-2.0%	-0.2%	735.08	9,556.04	8.77	
3 Auckland Int. Airport		9.30	0.1563	+3.4%	+0.3%	944.83	8,786.89	8.07	
4 Spark NZ		4.48		+1.6%	+0.1%	1,836.19	8,226.14	7.55	
5 Meridian Energy		4.60		-11.5%	-0.7%	1,255.87	5,777.00	5.30	
6 Ryman Healthcare		12.91		-2.9%	-0.1%	-	-	-	
7 Contact Energy		7.38		-13.6%	-0.8%	-	-	-	
8 Fletcher Building		4.58		-11.1%	-0.4%	-	-	-	
9 Mainfreight		40.20		+0.8%	+0.0%	-	-	-	
10 Infratil		4.93		+0.2%	+0.0%	-	-	-	
11 Mercury NZ		4.97		-0.9%	-0.0%	-	-	-	
12 SKYCITY		3.91		-2.5%	-0.1%	-	-	-	
13 Ebos Group		24.65		-1.4%	-0.0%	-	-	-	
14 Goodman Property Trust		2.13		-3.8%	-0.1%	-	-	-	
15 Chorus		5.31		+5.0%	+0.1%	-	-	-	
16 Kiwi Property Group		1.59		-4.8%	-0.1%	-	-	-	
17 Z Energy		5.36		-4.3%	-0.1%	-	-	-	
18 Port of Tauranga		6.69		+3.6%	+0.1%	-	-	-	
19 Precinct Properties NZ		1.82		-2.4%	-0.0%	-	-	-	
20 Genesis Energy		3.28	0.1128	-0.7%	-0.0%	-	-	-	
21 Air New Zealand		2.83		+0.9%	+0.0%	-	-	-	
22 Summerset Group		6.58		-0.6%	-0.0%	-	-	-	
23 Freightways		7.70		-5.2%	-0.1%	-	-	-	
24 Property for Industry		2.39		-0.6%	-0.0%	-	-	-	
25 Argosy Property		1.41		-3.8%	-0.0%	-	-	-	
26 Vital Healthcare Property Trust		2.66		-2.2%	-0.0%	-	-	-	
27 Vector		3.56		-1.1%	-0.0%	-	-	-	
28 Heartland Bank		1.64		+1.2%	+0.0%	-	-	-	
29 Stride Property Group		2.31		-0.4%	-0.0%	-	-	-	
30 Metlifecare		4.82		+8.1%	+0.1%	-	-	-	
31 Arvida Group		1.51		+2.0%	+0.0%	-	-	-	
32 Westpac		30.15		-6.7%	-0.0%	-	-	-	
33 Synlait Milk		9.40		+3.3%	+0.0%	-	-	-	
34 Kathmandu		3.14		+6.5%	+0.0%	-	-	-	
35 Vista Group		3.90		+1.6%	+0.0%	-	-	-	
36 Scales Corporation		5.23		+5.7%	+0.0%	-	-	-	
37 Pushpay Holdings		3.15		-6.0%	-0.0%	-	-	-	
38 TrustPower		8.44		+2.1%	+0.0%	-	-	-	
39 ANZ		28.78		-7.0%	-0.0%	-	-	-	
40 Sanford		7.10		+4.4%	+0.0%	-	-	-	
41 Tourism Holdings		3.55	0.1672	-12.7%	-0.1%	-	-	-	
42 Fonterra Shareholders Fund		4.15		+18.6%	+0.1%	-	-	-	
43 Skellerup Holdings		2.30	0.0896	+4.6%	+0.0%	-	-	-	
44 Investore		1.93		+1.6%	+0.0%	-	-	-	
45 Gentrack Group		5.10		-2.7%	-0.0%	-	-	-	
46 Restaurant Brands		11.92		+5.5%	+0.0%	-	-	-	
47 NZ Retining		2.05		-1.9%	-0.0%	-	-	-	
48 Oceania Healthcare		1.03		+1.0%	+0.0%	-	-	-	
49 NZX		1.29		0.0%	+0.0%	-	-	-	
50 Sky Network Television		0.90		-19.6%	-0.1%	-	-	-	
							Market Capital	\$108,923.17	100
							Accumulated Dividend	\$240.97	
							S&P/NZX 50 G w/Imp Index	13108.87	-1.21%
							S&P/NZX 50 G w/Imp Portfolio Index	7992.59	-1.75%

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

S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index.

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