

Quantitative Screening

Australian Ownership – October 2020

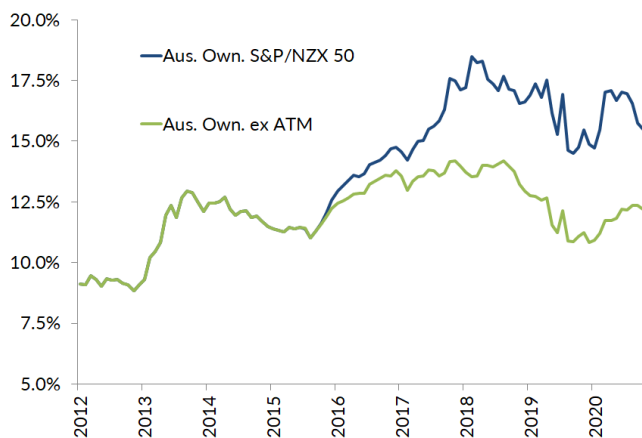
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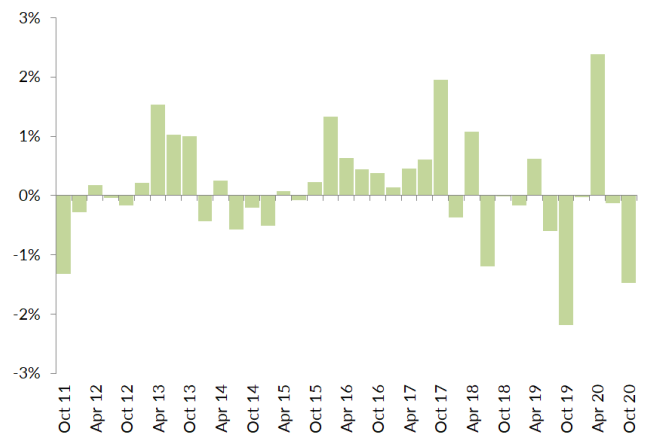
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Our proxy of Australian ownership of the New Zealand equity market (by free float market cap) fell to 15.5% over the three months to October 2020, with the continued underperformance of The a2 Milk Company (ATM) dragging overall Australian ownership down. Excluding ATM, Australian ownership remains flat at 12.2%. New Zealand companies that saw substantial changes in Australian ownership (by free-float shares) over the last three months include Vista Group (VGL), EBOS (EBO) and Synlait Milk (SML) to the upside, with Pushpay (PPH) and Sky Network Television (SKT) to the downside.

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


Source: Forsyth Barr analysis, ASX, NZX. Our proxy only includes NZX-listed companies with an ASX listing.

Figure 2. Rolling three month change in Australian ownership


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

Australian ownership falls to pre-COVID levels

Our proxy of Australian ownership of the New Zealand equity market has retraced -148bp over the last three months, back to the level we saw in February 2020. Excluding the impact of ATM, Australian ownership of the S&P/NZX 50 has remained flat over the last three months at 12.2%. This shows that the overall decrease is largely attributable to the relative underperformance of ATM, which remains popular amongst Australian investors (with Australian ownership ~50%) and a significant weighting in the benchmark index (currently ~8.3%).

VGL, EBO and SML popular, while PPH falls out of favour

Australian ownership of VGL, EBO and SML have all seen increases over the quarter, up +250bp, +234bp, and +224bp respectively. Over this same period PPH and SKT have seen decreases in ownership of -360bp and -312bp each, while both stocks comfortably outperformed both the S&P/NZX 50 and S&P/ASX 200 (NZD terms). This is particularly interesting for PPH which had a short-term bounce over the April to August 2020 period where Australian ownership increased from 15% to 28%.

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 (by free float shares) over the quarter as well as the return of these companies over the last three months 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).

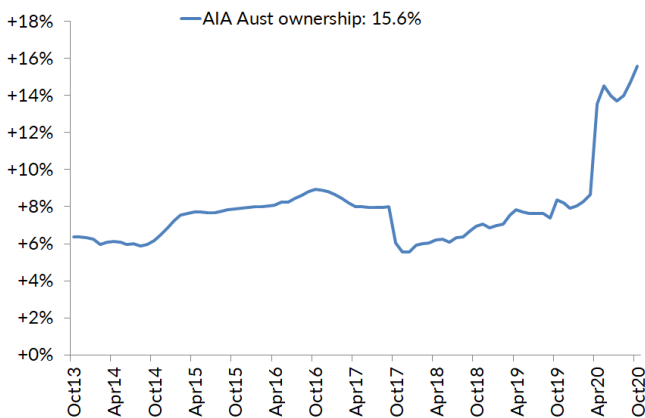
Figure 3. Changes in Australian ownership and relative performance 3 months to October 2020

Increases	% free float	Change	3mth TR	Relative		Decreases	% free float	Change	3mth TR	Relative	
				S&P/NZX 50	S&P/ASX 200 (NZD)					S&P/NZX 50	S&P/ASX 200 (NZD)
VGL	19.3%	+250bp	+18.0%	+14.9%	+18.4%	PPH	24.1%	-360bp	+14.6%	+11.6%	+15.0%
EBO	10.5%	+234bp	+20.3%	+17.3%	+20.7%	SKT	11.8%	-312bp	+15.5%	+12.5%	+15.9%
SML	25.7%	+224bp	-22.8%	-25.8%	-22.4%	ZEL	24.6%	-157bp	+0.4%	-2.7%	+0.7%
AIA	15.6%	+186bp	+9.7%	+6.7%	+10.1%	SPK	13.0%	-109bp	-5.6%	-8.6%	-5.2%
AIR	29.5%	+143bp	+6.0%	+2.9%	+6.4%	GNE	9.2%	-102bp	+10.7%	+7.7%	+11.1%

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

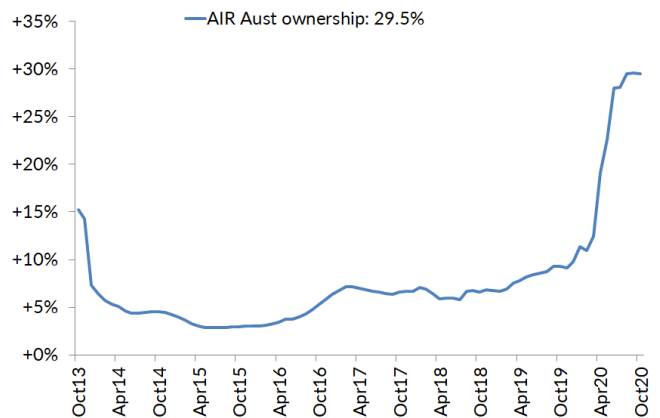
Below we present the breakdown by company of trends in Australian ownership. Prior to October 2017 this data was presented as a rolling 6 month average; from October 2017 onwards the data is as at end of month.

Figure 4. Australian free float ownership AIA



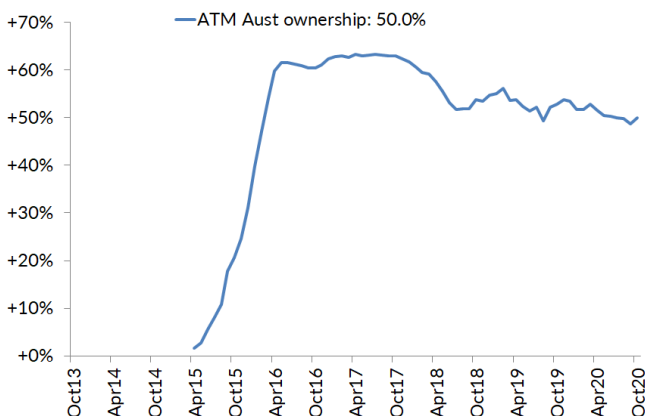
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 5. Australian free float ownership AIR



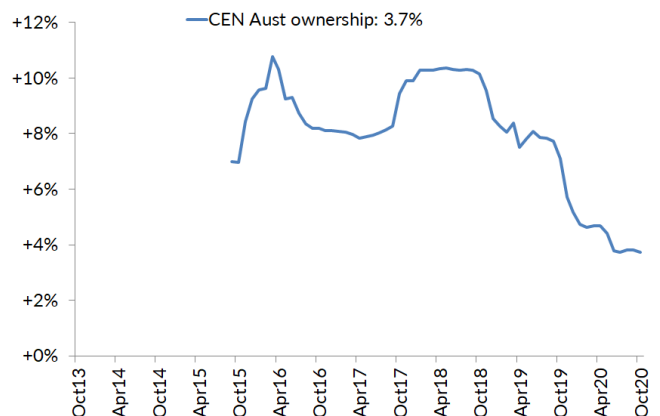
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 6. Australian free float ownership ATM



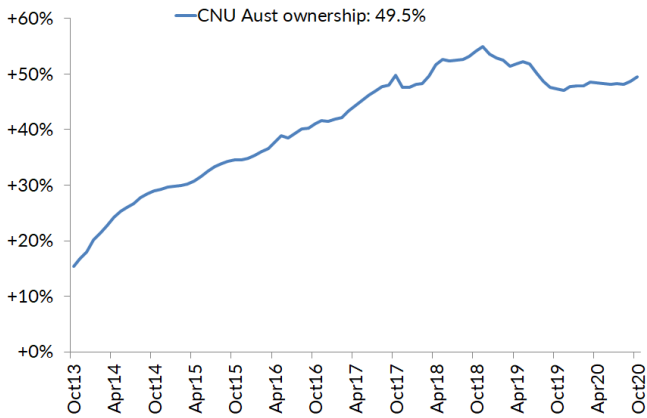
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 7. Australian free float ownership CEN



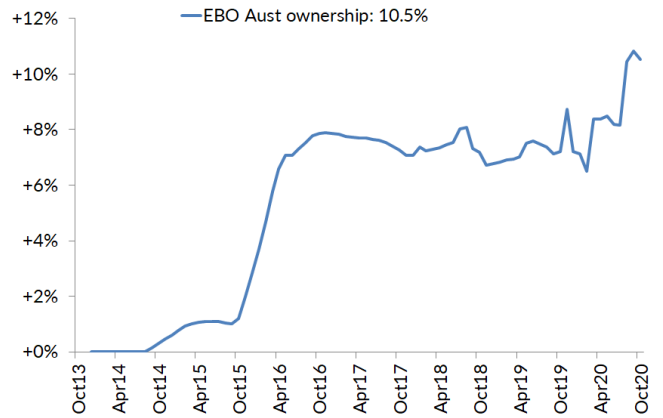
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 8. Australian free float ownership CNU



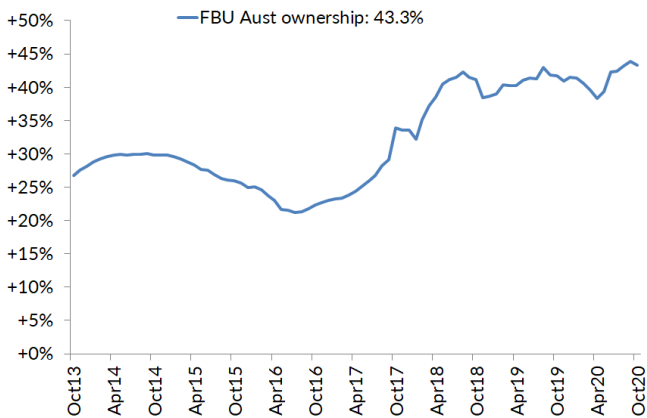
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 9. Australian free float ownership EBO



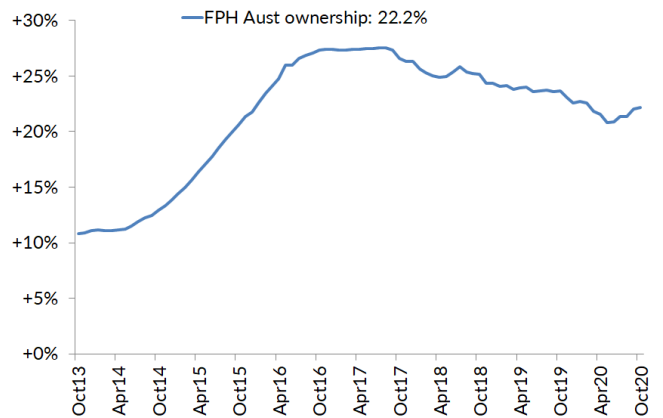
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 10. Australian free float ownership FBU



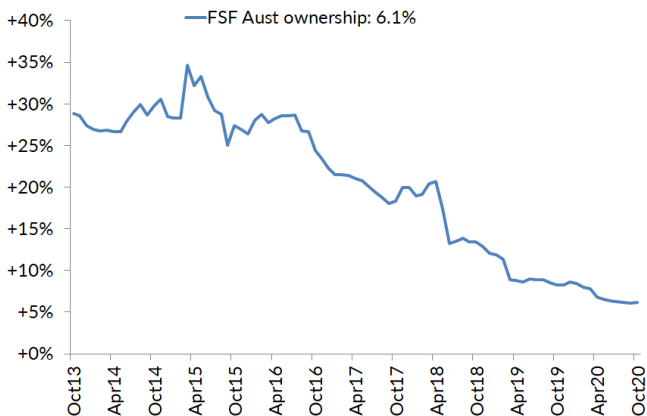
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 11. Australian free float ownership FPH



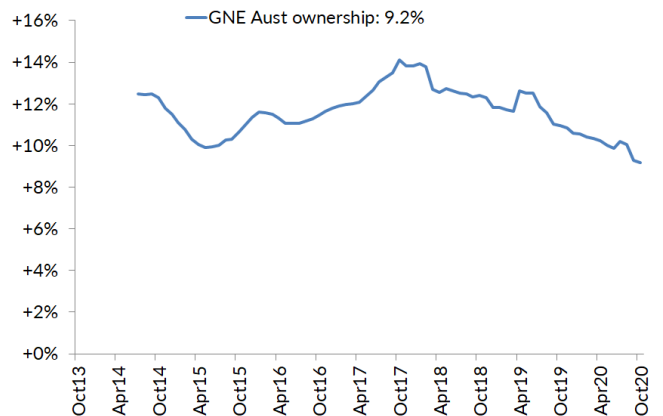
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 12. Australian free float ownership FSF



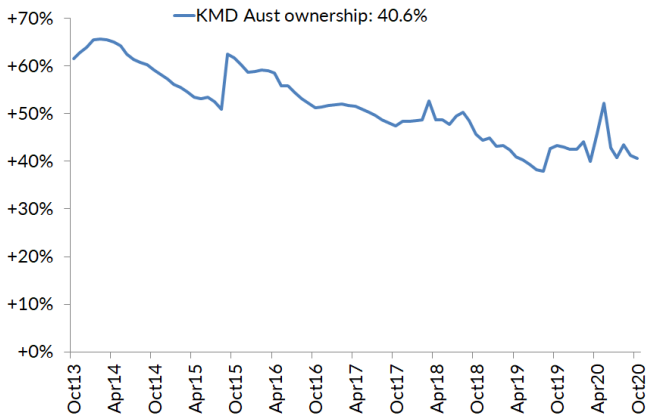
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 13. Australian free float ownership GNE



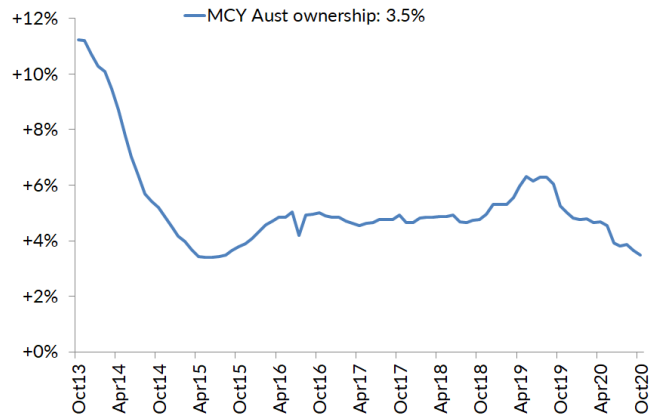
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 14. Australian free float ownership KMD



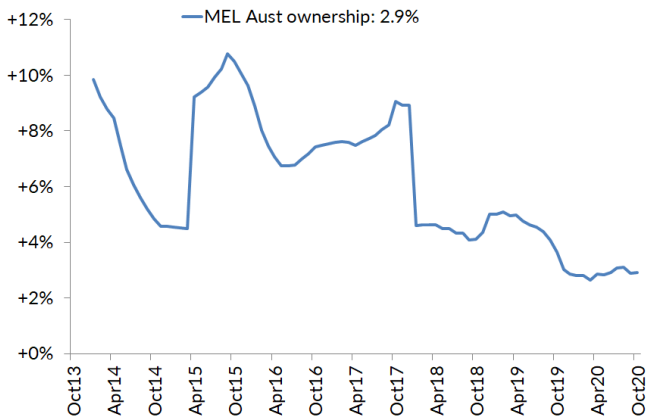
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 15. Australian free float ownership MCY



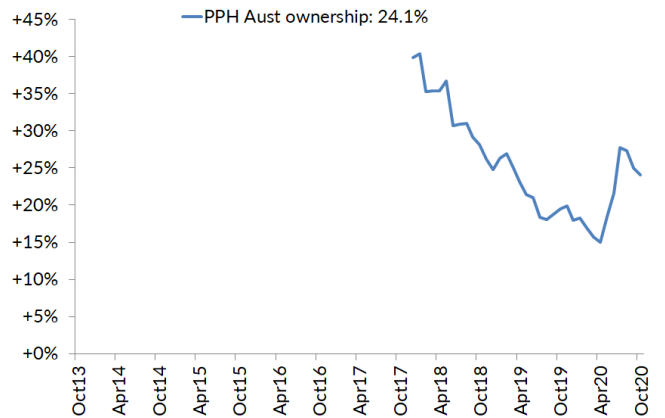
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 16. Australian free float ownership MEL



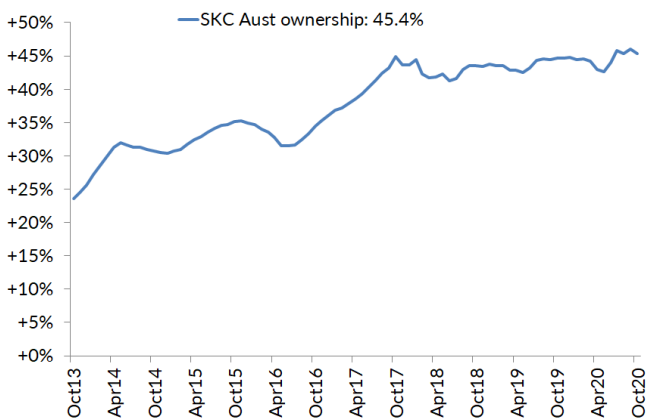
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 17. Australian free float ownership PPH



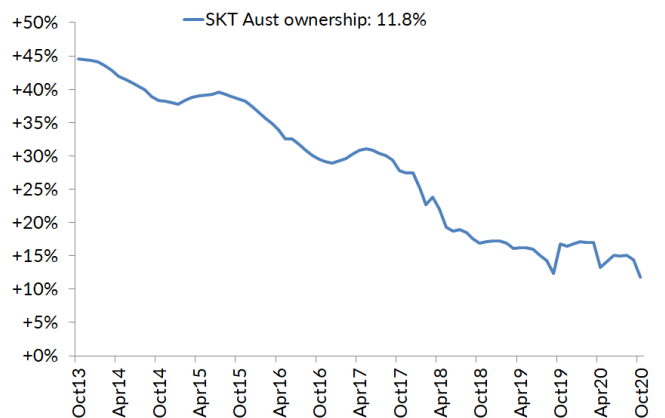
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 18. Australian free float ownership SKC



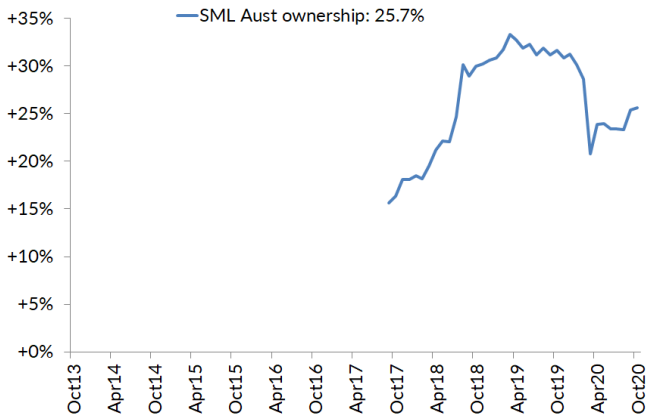
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 19. Australian free float ownership SKT



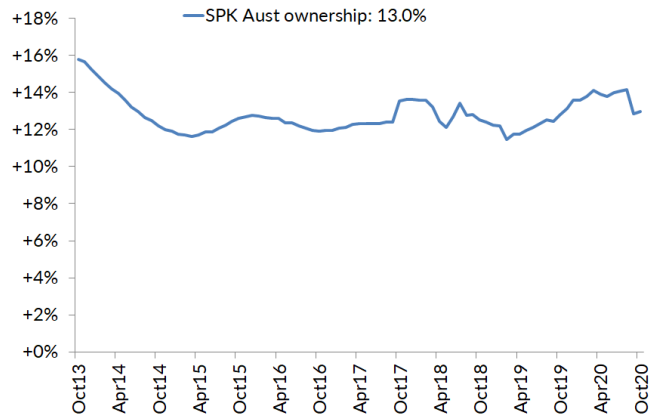
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 20. Australian free float ownership SML



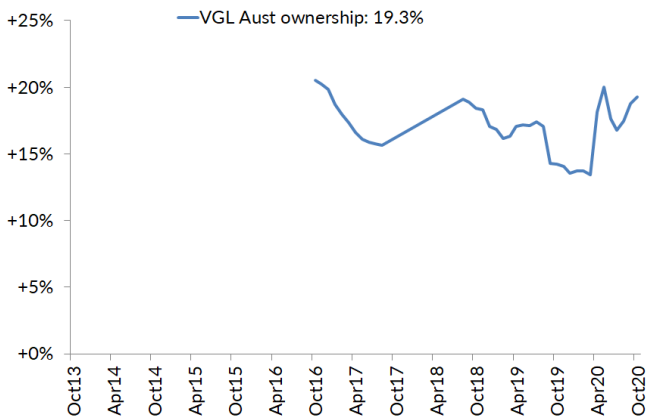
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 21. Australian free float ownership SPK



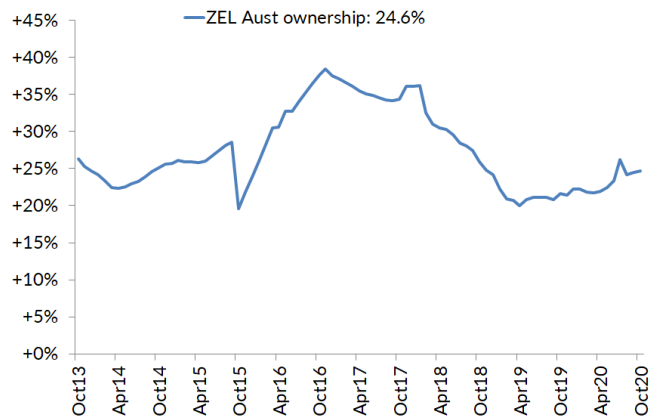
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 22. 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 23. 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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