

Quantitative Screening

Australian Ownership — November 2020

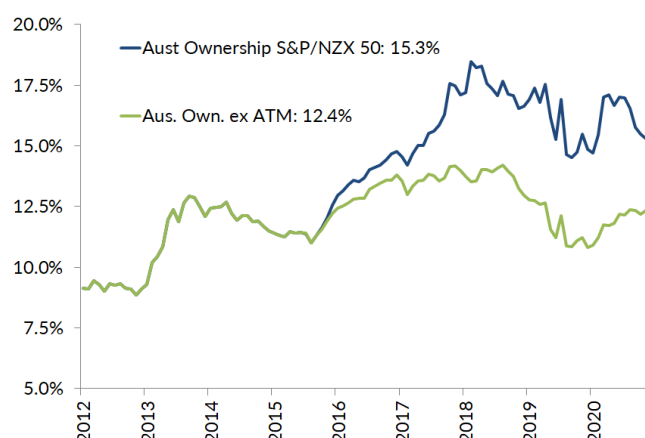
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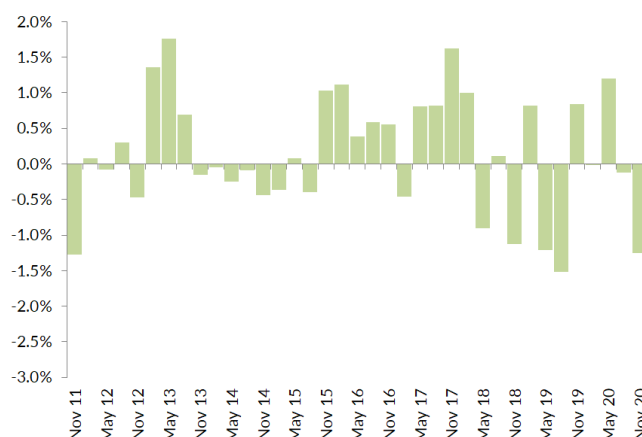
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Our proxy of Australian ownership of the New Zealand equity market (by free float market cap) fell to 15.3% for the three months to November 2020, with underperformance and selling of The a2 Milk Company (ATM) dragging overall Australian ownership down. Excluding ATM, Australian ownership remains flat at 12.4%. New Zealand companies that saw substantial changes in Australian ownership (by free-float shares) over the last three months include Vista Group (VGL) and Auckland International Airport (AIA) 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

Figure 2. Quarterly change in Australian ownership


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

ATM pulling Australian ownership lower

Our proxy of Australian ownership of the New Zealand equity market has retraced -125bp over the last three months, and is now below the level seen 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 12.4%. This decrease is largely attributable to ATM, with its market value decreasing and the number of shares held by Australian investors falling to levels last seen in 2016.

Australian activity

Australian ownership of VGL and AIA has increased over the quarter, up +350bp and +229bp respectively. Over this same period PPH and SKT have seen decreases in ownership of -427bp and -313bp each. Additionally there was selling in ATM (-213bp), which while small in absolute terms, is more impactful in market value terms.

Looking back at our records of Australian investor activity over the last six months, we find the following stocks are the most frequently traded: ATM, KMD, PPH and VGL. Over the calendar year to November, Air New Zealand (AIR) had the largest increase in Australian ownership (as explored in more depth in the August edition of this note), up +2081bp to 30.5% Australian ownership (in free float terms).

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. We also present the return of these companies over the quarter on an absolute, as well as a relative basis (relative to the S&P/NZX 50 G Index and S&P/ASX Accum Index in NZD terms).

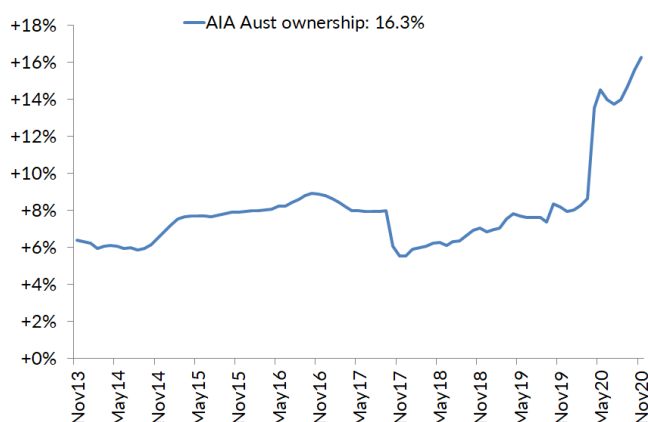
Figure 3. Changes in Australian ownership and relative performance 3 months to November 2020

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	20.9%	+350bp	-4.4%	-11.3%	-7.9%	PPH	23.0%	-427bp	-19.1%	-26.0%	-22.6%
AIA	16.3%	+229bp	+17.3%	+10.4%	+13.9%	SKT	11.9%	-313bp	+22.6%	+15.7%	+19.1%
CNU	49.7%	+154bp	-1.1%	-8.1%	-4.6%	KMD	40.7%	-278bp	-1.6%	-8.6%	-5.1%
ZEL	25.5%	+128bp	+18.6%	+11.6%	+15.1%	ATM	47.7%	-213bp	-20.7%	-27.6%	-24.2%
AIR	30.5%	+102bp	+30.0%	+23.0%	+26.5%	SPK	12.7%	-151bp	-2.1%	-9.1%	-5.6%

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

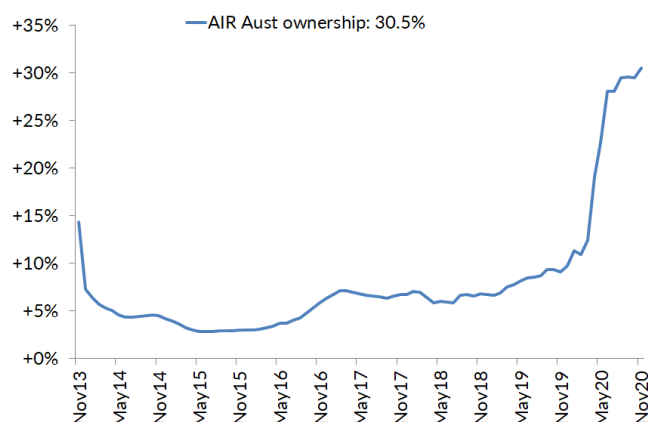
Below we present the breakdown by company of trends in Australian ownership. Prior to October 2017 this data was presented as a rolling 6 month average; from October 2017 onwards the data is as at end of month.

Figure 4. Australian free float ownership AIA



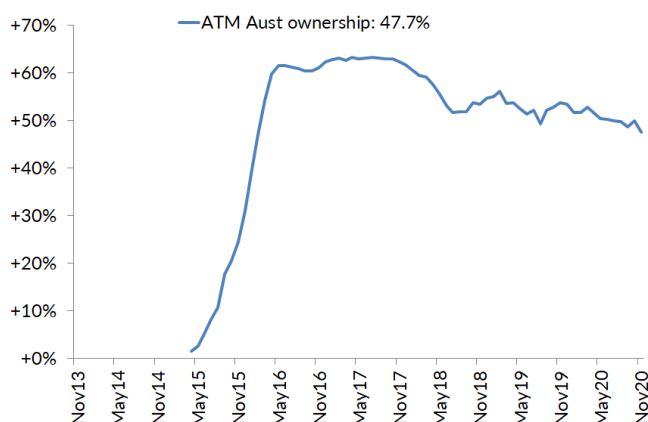
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 5. Australian free float ownership AIR



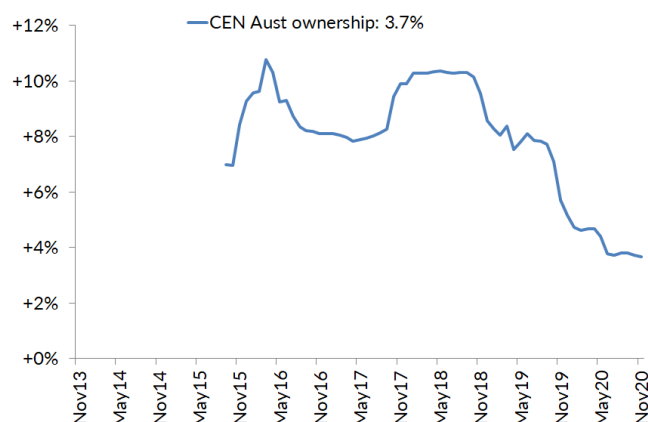
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 6. Australian free float ownership ATM

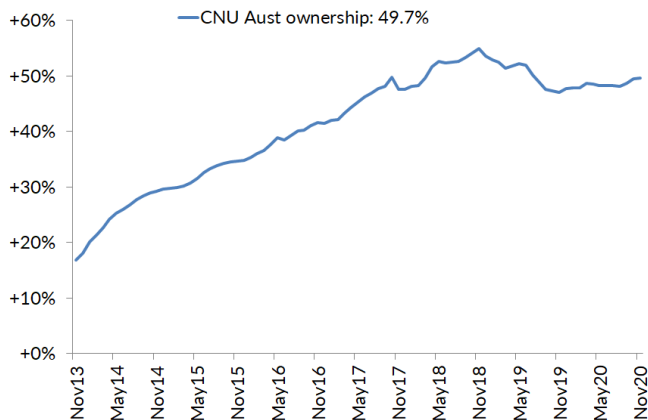


Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

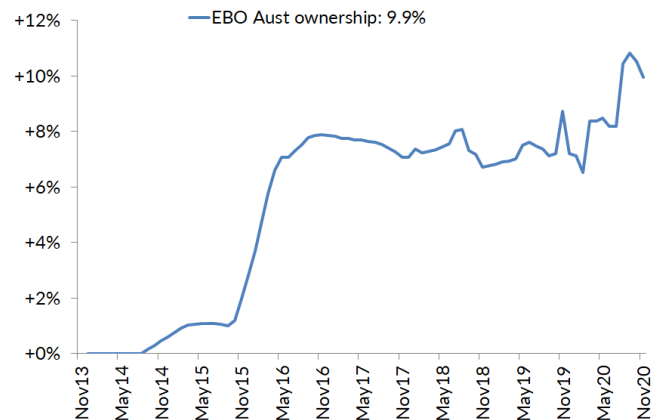
Figure 7. Australian free float ownership CEN



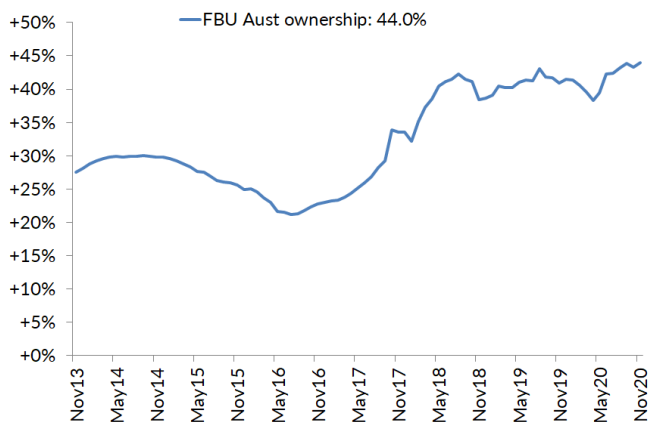
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 8. Australian free float ownership CNU


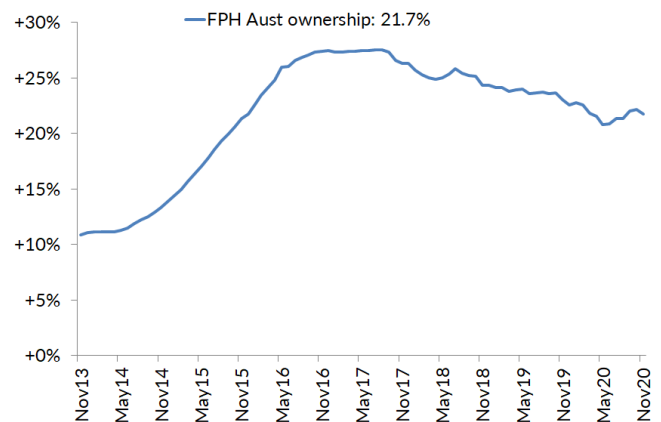
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 9. Australian free float ownership EBO


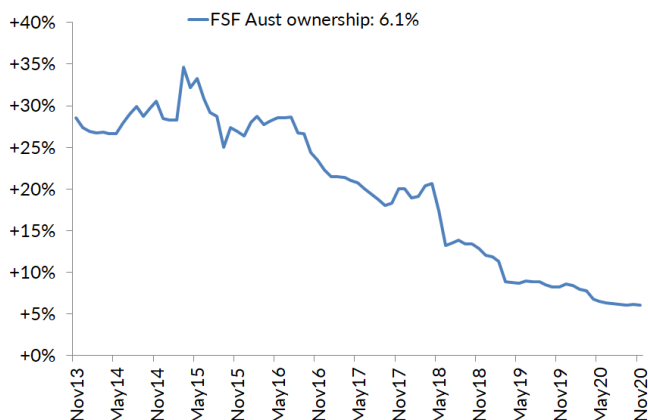
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 10. Australian free float ownership FBU


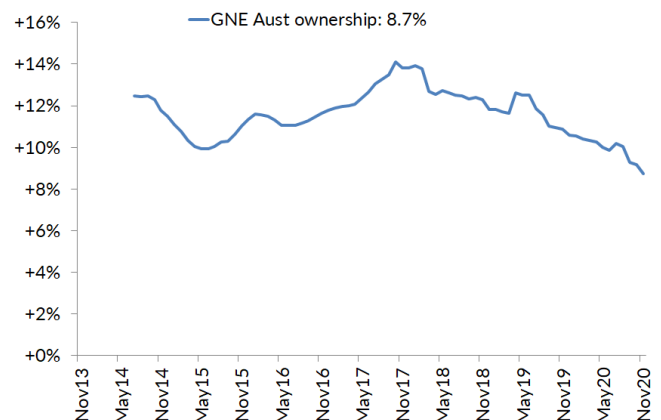
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 11. Australian free float ownership FPH


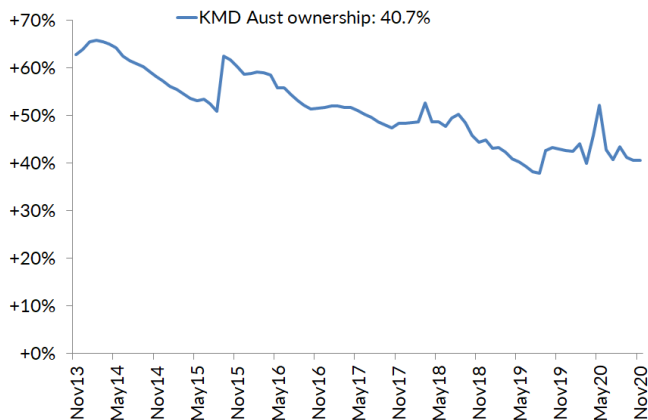
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 12. Australian free float ownership FSF


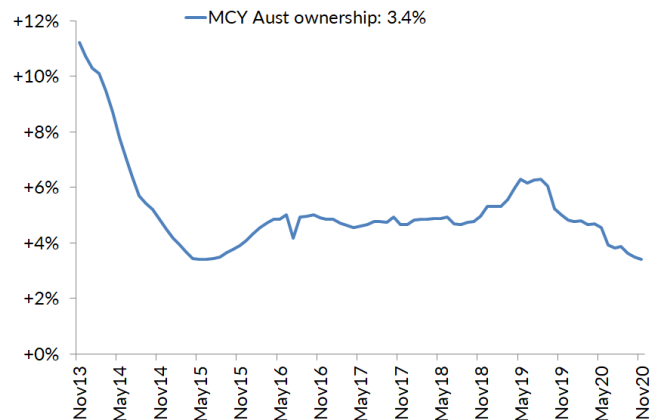
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 13. Australian free float ownership GNE


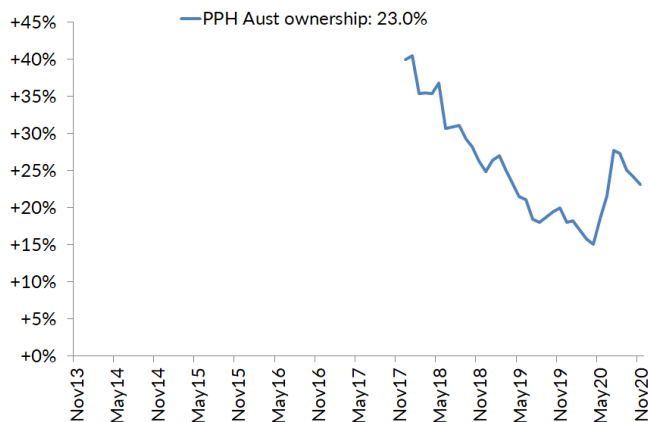
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 14. Australian free float ownership KMD


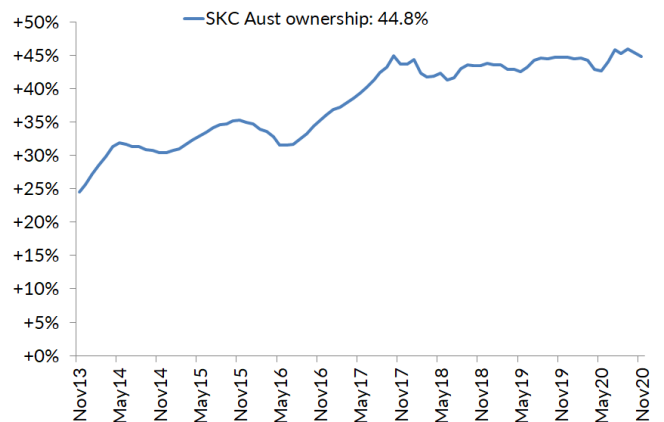
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 15. Australian free float ownership MCY


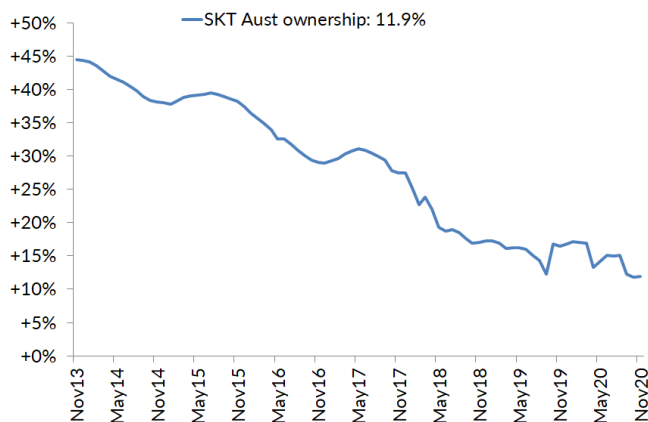
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 16. Australian free float ownership PPH


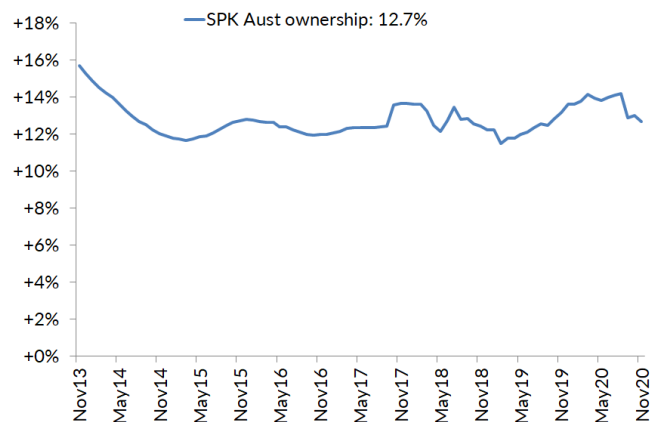
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

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.

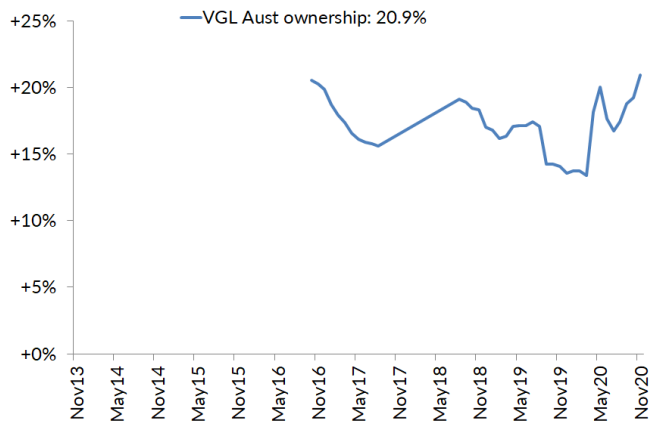
Figure 18. Australian free float ownership SKT


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 SPK


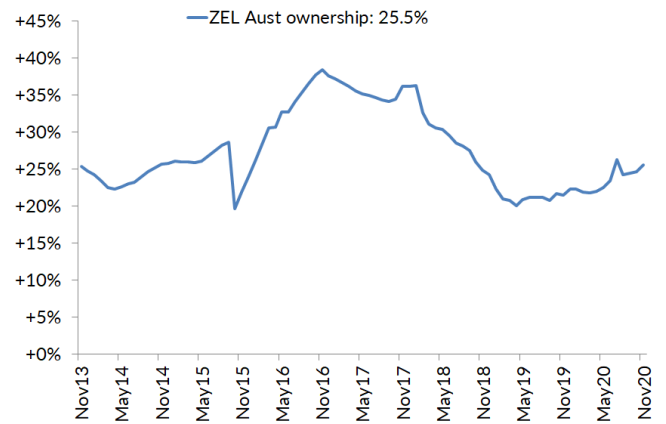
Source: Forsyth Barr analysis, ASX, NZX. Prior to Oct 2017 the data reported is a monthly 6-month rolling average. Subsequent data is as at the end of the respective month.

Figure 20. 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 21. 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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