

S&PNZX Index Insights

Happy Holidays

S&P DJI have confirmed that no changes will be made to the constituents of the benchmark indices at the December 2019 quarterly index review. There were a handful of changes to the Float Adjustment Weighting Factors (AWF) for the S&P/NZX 50 Portfolio Index. Changes are effective close of market, Friday 20 December 2019.

No constituent changes

As expected, the S&P/NZX index review for December 2019 contained no constituent changes for the benchmark indices. We don't foresee any constituent changes over the near to medium term. Napier Port Holdings (NPH) remains the largest non-member eligible for inclusion, should a current member drop out.

Figure 1. December 2019 Review: Confirmed Changes

Index	Enter	Exit	Expected Weight
S&P/NZX 10	no changes		
S&P/NZX 20	no changes		
S&P/NZX 50 & 50 Portfolio	no changes		

Source: Forsyth Barr analysis, S&P DJI

S&P/NZX 50 Portfolio Index Re-weightings

As with each quarterly review the AWF for the S&P/NZX 50 Portfolio index was calculated, which allows for the constituent stock weighting cap of 5% for the index. The companies with the largest re-weightings are presented in Figure 2.

Figure 2. December 2019 Review: Major Reweighting Changes Expected

Index	Current Weight	Expected Weight	Total Change
S&P/NZX 50 Portfolio Index			
CEN	4.23%	5.06%	+0.83%
AIA	4.65%	4.89%	+0.24%
KMD	0.66%	0.87%	+0.21%
RYM	5.96%	5.05%	-0.91%
FPH	6.30%	5.02%	-1.28%

Source: Forsyth Barr analysis, S&P DJI

Figure 3. Current Rankings for S&P/NZX 50 Index Inclusion/Exclusion

Ranking	Code	Status	6-mth Ave Price	6-mth Ave Market Cap
41	THL	Current NZX 50 member	\$3.82	\$465.6m
42	SKT	Current NZX 50 member	\$1.11	
43	SKL	Current NZX 50 member	\$2.34	\$428.0m
44 (entry level)	GTK	Current NZX 50 member	\$5.47	\$399.3m
45	IPL	Current NZX 50 member	\$1.88	\$391.9m
46	FSF	Current NZX 50 member	\$3.76	
47	NZR	Current NZX 50 member	\$2.08	
48	OCA	Current NZX 50 member	\$1.04	
49	NZX	Current NZX 50 member	\$1.21	
50	RBD	Current NZX 50 member	\$10.50	\$327.5m
51	NPH		\$3.21	\$288.5m
52	SKO		\$4.24	\$284.7m
53	HLG		\$5.63	\$268.5m
54	TWR		\$0.72	\$241.2m
55	TLT		\$2.70	\$190.1m
56 (exit level)	WHS		\$2.36	\$188.2m
57	BGP		\$3.55	\$181.5m
58	ERD		\$3.02	\$163.0m

Source: Forsyth Barr analysis, ranking 44: automatic entry level, ranking 56: automatic exit level, S&P DJI restricts publication of index constituent information to 10% for any given index.

Matthew Leach

matthew.leach@forsythbarr.co.nz

+64 4 495 1324

Will McManus

will.mcmanus@forsythbarr.co.nz

+64 4 495 8242



Not personalised financial advice: The recommendations and opinions in this publication do not take into account your personal financial situation or investment goals. The financial products referred to in this publication may not be suitable for you. If you wish to receive personalised financial advice, please contact your Forsyth Barr Investment Adviser. The value of financial products may go up and down and investors may not get back the full (or any) amount invested. Past performance is not necessarily indicative of future performance. Disclosure statements for Forsyth Barr Investment Advisers are available on request and free of charge. **Disclosure:** Forsyth Barr Limited and its related companies (and their respective directors, officers, agents and employees) ("**Forsyth Barr**") may have long or short positions or otherwise have interests in the financial products referred to in this publication, and may be directors or officers of, and/or provide (or be intending to provide) investment banking or other services to, the issuer of those financial products (and may receive fees for so acting). Forsyth Barr is not a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989. Forsyth Barr may buy or sell financial products as principal or agent, and in doing so may undertake transactions that are not consistent with any recommendations contained in this publication. Forsyth Barr confirms no inducement has been accepted from the researched entity, whether pecuniary or otherwise, in connection with making any recommendation contained in this publication. **Analyst Disclosure Statement:** In preparing this publication the analyst(s) may or may not have a threshold interest in the financial products referred to in this publication. For these purposes a threshold interest is defined as being a holder of more than \$50,000 in value or 1% of the financial products on issue, whichever is the lesser. In preparing this publication, non-financial assistance (for example, access to staff or information) may have been provided by the entity being researched. **Disclaimer:** This publication has been prepared in good faith based on information obtained from sources believed to be reliable and accurate. However, that information has not been independently verified or investigated by Forsyth Barr. Forsyth Barr does not make any representation or warranty (express or implied) that the information in this publication is accurate or complete, and, to the maximum extent permitted by law, excludes and disclaims any liability (including in negligence) for any loss which may be incurred by any person acting or relying upon any information, analysis, opinion or recommendation in this publication. Forsyth Barr does not undertake to keep current this publication; any opinions or recommendations may change without notice. Any analyses or valuations will typically be based on numerous assumptions; different assumptions may yield materially different results. Nothing in this publication should be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from doing so, or to engage in any other transaction. Other Forsyth Barr business units may hold views different from those in this publication; any such views will generally not be brought to your attention. This publication is not intended to be distributed or made available to any person in any jurisdiction where doing so would constitute a breach of any applicable laws or regulations or would subject Forsyth Barr to any registration or licensing requirement within such jurisdiction. **Terms of use:** Copyright Forsyth Barr Limited. You may not redistribute, copy, revise, amend, create a derivative work from, extract data from, or otherwise commercially exploit this publication in any way. By accessing this publication via an electronic platform, you agree that the platform provider may provide Forsyth Barr with information on your readership of the publications available through that platform.