

# S&P/NZX Index Insights

## Trusting the Harbourmaster's Call

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S&P DJI have confirmed at the June 2020 quarterly index review that Gentrack Group (GTK) will drop out of the S&P/NZX 50 indices, allowing Napier Port Holdings (NPH) to enter. Other headline index changes also confirmed include: Infratil (IFT) entering the S&P/NZX 10 index with SKYCITY (SKC) exiting, and Summerset Group (SUM) entering the S&P/NZX 20 index with Air New Zealand (AIR) exiting.

**Napier Port Holdings confirmed to enter the S&P/NZX 50 benchmark indices**

As expected, NPH will enter the S&P/NZX 50 benchmark indices due to GTK dropping below the required level of six-month average market capitalisation. NPH will enter with an index weight of approximately 0.29% (rank 47). We estimate passive demand for NPH will be in the order of +2.0m shares (10x ADV) and -1.4m shares for GTK (6x ADV).

**Figure 1. June 2020 review: Confirmed changes**

Index	Enter	Exit	Expected Weight
S&P/NZX 10	IFT	SKC	4.52%
S&P/NZX 20	SUM	AIR	1.65%
S&P/NZX 50	NPH	GTK	0.29%
S&P/NZX 50 Portfolio	NPH	GTK	0.41%

Source: Forsyth Barr analysis, S&amp;P DJI

**Quarterly re-weightings confirmed**

As with each quarterly index review, S&P updated indexed shares along with Adjustable and Investible Weighting Factors (AWF & IWFs) for index constituents. The companies with the largest re-weightings are presented in Figure 2.

**Figure 2. June 2020 review: Major reweighting changes expected**

Index	Current Weight	Expected Weight	Total Change
<b>S&amp;P/NZX 50 Index</b>			
NPH	n/a	0.29%	+0.29%
<b>S&amp;P/NZX 50 Portfolio Index</b>			
RYM	4.35%	4.95%	+0.60%
CEN	4.62%	5.06%	+0.43%
NPH	n/a	0.41%	+0.41%
SPK	5.38%	5.07%	-0.32%
ATM	6.70%	5.10%	-1.60%
FPH	7.00%	5.17%	-1.83%
<b>S&amp;P/NZX 10 Index</b>			
IFT	n/a	4.52%	+4.52%
SKC	2.69%	n/a	-2.69%
<b>S&amp;P/NZX All Real Estate Index</b>			
IPL	4.32%	5.28%	+0.96%
AUG	1.02%	1.36%	+0.34%
KPG	16.22%	15.99%	-0.23%
PCT	17.68%	17.43%	-0.25%
GMT	23.20%	22.88%	-0.33%

Source: Forsyth Barr analysis, S&amp;P DJI

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