

## Weekly Investment Update – Week ending 16 April 2021

### New Zealand

- Retirement village operator Summerset released 1Q21 metrics noting 275 sales for the quarter ending 31 March, comprising 148 new sales and 127 resales. It was a record first quarter for both categories. Summerset also announced that Mark Verbiest will succeed retiring Chair Rob Campbell on 1 July. Verbiest is also Chair of Meridian Energy and Freightways, as well as a director of ANZ Bank.
- Tilt Renewables went into a trading halt on Thursday as Canada's CDPQ, a big pension fund with \$360 billion in assets, put forward a late bid at \$8 per share to acquire the company. Previous bidders, Mercury NZ and Powering Australian Renewables subsequently pushed their bid up to \$8.10. The increased offer results in Mercury paying an additional \$4 million and is marginally positive for Infratil.
- The Board of Synlait Milk announced they have accepted the resignation of CEO Leon Clement. The resignation comes at a tough time for the company after struggles through COVID-19 and softness from a2 Milk's daigou negatively impacting the company. John Penno, co-founder, ex-CEO and current director will assume the role of interim CEO on 1 May until a permanent decision has been made.

### Asia Pacific

- Australian gold mining company Regis Resources is set to acquire IGO Limited's 30% stake in the Tropicana gold mine in Western Australia. Regis will pay \$900 million for the stake, funded by a \$650 million equity raising and \$300 million in fresh debt. IGO is selling after its board sought to continue with its battery metals/clean energy strategy. The stake was reported to have interest from other ASX-listed gold miners such as Evolution Mining and Gold Road Resources.
- Ant Group, the financial-technology giant controlled by Chinese billionaire Jack Ma, will apply to become a financial holding company overseen by China's central bank, overhauling its business to adapt to a new era of tighter regulation for internet companies. In a statement, the People's Bank of China said a "comprehensive, viable rectification plan" for Ant has been formulated under the regulators' supervision over the past few months. The directive follows an intense regulatory assault on Ma's business empire that began with the suspension of the company's blockbuster initial public offering in November. Ant had been on track to sell more than \$34 billion worth of stock and list on stock exchanges in Hong Kong and Shanghai, when Beijing pulled the plug on the deal after Ma criticized financial regulators in a public speech.

### United States

- Facebook users will now be able to ask the company's independent oversight board to rule on content that has been left up on the platform, not just content that has been taken down, in a key expansion of the panel's scope. Facebook created the board in response to criticism of its handling of problematic content, but researchers and civil rights groups have faulted it for its limited remit. Before this change, Facebook and Instagram users who had exhausted the appeals process could send cases of removed content to the board - but only the company itself could ask the board to review content left up on the platforms.
- Federal spending soared in March as the government sent a third round of stimulus payments to Americans, pushing up the budget deficit to a record \$1.7 trillion in the first half of the fiscal year. The budget gap is now more than double what it was for the same period a year ago, the Treasury Department said Monday. The deficit was \$660 billion last month, 454% higher than it was in the same month a year ago. Revenue rose 13% to \$268 billion, while spending increased 161% to \$927 billion. The government's spending surge has provided some cushion to the economy from the pandemic's devastation, but it has also sent deficits soaring to levels not seen since the end of World War II as a proportion of the economy.

Market Performance for the period 09 Apr 2021 - 16 Apr 2021							
Index	Stocks			Bonds			
	Last	Change	% change	Bond Yield (%)	Last	Change	% change
NZX50	12684.7	110.4	0.9%	NZ OCR	0.25	0.00	0%
ASX200	7063.5	68.3	1.0%	NZ 2Y Govt	0.25	0.01	2%
DJIA	34200.7	400.1	1.2%	NZ 5Y Govt	0.84	-0.05	-6%
S&P500	4185.5	56.7	1.4%	NZ 10Y Govt	1.63	-0.08	-5%
NASDAQ	14052.3	152.2	1.1%	AU 10Y Govt	1.74	-0.02	-1%
Nikkei 225	29683.4	-84.7	-0.3%	US 10Y Govt	1.58	-0.08	-5%
Hang Seng	28969.7	270.9	0.9%	DE 10Y Govt	-0.26	0.04	-13%
FTSE 100	7019.5	103.8	1.5%	GB 10Y Govt	0.76	-0.01	-1%
Currencies				Commodities			
Currency	Last	Change	% change	Commodity	Last	Change	% change
NZD:USD	0.71	0.011	1.5%	Oil - WTI	63.1	3.81	6%
NZD:AUD	0.92	0.001	0.1%	Oil - Brent	66.8	3.82	6%
AUD:USD	0.52	0.003	0.5%	Gold	1776.5	32.63	2%
EUR:USD	0.77	0.011	1.5%	Silver	26.0	0.70	3%
GBP:USD	1.20	0.008	0.7%	Copper	416.8	12.80	3%
USD:JPY	1.4	0.013	0.9%	Aluminium	2302.0	53.45	2%
USD:CNY	108.80	-0.870	-0.8%	Platinum	1205.7	0.57	0%
Bitcoin:USD	62005	3672	6.3%	Iron Ore	172.2	6.85	4%

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