

## Weekly Investment Update – Week ending 26 March 2021

### New Zealand

- Retirement village operator Oceania Healthcare took to the market to raise \$100m to fund the acquisition of a premium retirement village, Waterford on Hobsonville Point, and its existing leased facility and adjacent development land in Franklin. The Waterford on Hobsonville Point village comprises 64 independent living villas, all currently occupied, and 36 independent living apartments. The leased site in Franklin currently has a care-only facility with 44 standard care beds. Oceania has initial plans in place to redevelop the combined site into an integrated village, offering villa and care suite accommodation options with more than 200 residences upon completion. This follows an announcement earlier in the week appointing new CEO, Brent Pattinson.
- Retailer Kathmandu released their 1H21 financial results that saw strong sales and profits from its Rip Curl brand. Rip Curl benefitted from its product range in core surf geographies around the world and noted that wholesale order books are back above pre COVID-19 levels. The Kathmandu brand however faced multiple headwinds including store closures in Auckland and Melbourne as a result of lockdowns and decreased people in shopping centres and CBD stores. Management indicated that by the end of the financial year the company will be in a zero net debt position and the resumption of a dividend (2 cents per share) was well received by the market.
- The Warehouse confirmed its record 1H21 result on Thursday with group sales up 7.4%. Key brands The Warehouse, Warehouse Stationary, Noel Leeming and Torpedo7 all saw significant increases in sales and profitability. Margins were helped by the increased sales as well as the effects from a restructure last year. Lower inventory levels resulted in less discounting and the company saw a greater proportion of sales were through online channels. An interim dividend of 13 cents per share will be paid to shareholders in April.

### Asia Pacific

- Australian company Computershare announced it would be raising \$835 million to fund the acquisition of a corporate trust business from Wells Fargo in the United States. The raising was an underwritten 1-for-8 entitlement offer at \$13.55 a share, which was a 9.6% discount to the last close.
- A container ship longer than the Eiffel Tower ran aground in the Suez Canal, one of the planet's most important waterways. Despite herculean efforts on Wednesday, it's unclear when the wayward vessel will be freed. Dozens of ships are already stuck in the resulting gridlock, with up to 50 ships usually passing through the canal daily, a lengthy halt is threatening global supply chains already disrupted by the pandemic.

### United States

- Federal Reserve Chairman Jerome Powell told lawmakers Tuesday he doesn't expect the \$1.9 trillion stimulus package will lead to an undesirable increase in inflation, but he emphasized that the central bank has tools to deal with rising price pressures if necessary. Powell said the Fed remained strongly committed to keeping the public's expectations for future price increase under control, as they have been for decades, but he said he didn't believe a one-time spending surge leading to temporary price increases would change those expectations. The Fed has held its benchmark interest rate near zero since the effects of the COVID-19 pandemic began last year. Most central-bank officials don't expect to raise the rate until 2024 at the earliest.
- Microsoft is in talks to buy Discord, a messaging platform for gamers, for more than \$10 billion. The COVID-19 pandemic has boosted the prospects of gaming companies as people stayed at home and turned to video games for entertainment during lockdowns. Discord, which was valued at around \$7 billion as of December, is a platform on which users coordinate group activities such as games, discussions and even virtual parties. Microsoft has been looking to own mass social media platforms, although its last big deal was the \$26.2 billion acquisition of LinkedIn in 2016 as it failed in its bid for short video app TikTok's US assets in September last year.

Market Performance for the period 19 Mar 2021 – 26 Mar 2021							
Index	Stocks			Bonds			
	Last	Change	% change	Bond Yield (%)	Last	Change	% change
NZX50	12348.8	-166.4	-1.3%	NZ OCR	0.25	0.00	0%
ASX200	6824.2	116.0	1.7%	NZ 2Y Govt	0.23	-0.09	-29%
DJIA	33072.9	444.9	1.4%	NZ 5Y Govt	0.85	-0.21	-20%
S&P500	3974.5	61.4	1.6%	NZ 10Y Govt	1.63	-0.19	-10%
NASDAQ	13138.7	-76.5	-0.6%	AU 10Y Govt	1.65	-0.15	-8%
Nikkei 225	29176.7	-615.3	-2.1%	US 10Y Govt	1.68	-0.04	-3%
Hang Seng	28336.4	-654.5	-2.3%	DE 10Y Govt	-0.35	-0.05	18%
FTSE 100	6740.6	31.9	0.5%	GB 10Y Govt	0.76	-0.08	-10%
Currencies				Commodities			
Currency	Last	Change	% change	Commodity	Last	Change	% change
NZD:USD	0.70	-0.017	-2.3%	Oil - WTI	61.0	-0.45	-1%
NZD:AUD	0.92	-0.009	-0.9%	Oil - Brent	64.6	0.04	0%
AUD:USD	0.51	-0.009	-1.8%	Gold	1732.5	-12.71	-1%
EUR:USD	0.76	-0.011	-1.4%	Silver	25.1	-1.19	-5%
GBP:USD	1.18	-0.011	-0.9%	Copper	407.9	-4.50	-1%
USD:JPY	1.4	-0.008	-0.6%	Aluminium	2284.0	35.00	2%
USD:CN¥	109.64	0.760	0.7%	Platinum	1188.6	-9.30	-1%
Bitcoin:USD	54002	-4408	-7.5%	Iron Ore	152.5	2.34	2%

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