

## Weekly Investment Update – Week ending 10 September 2021

### New Zealand

- Infratil has announced it is committing US\$233 million to establish Gurin Energy, a renewable energy development platform headquartered in Singapore, which will focus on greenfield renewable projects across Asia. Gurin Energy will invest in the development of wind and solar energy projects and storage solutions across Southeast Asia, North Asia and India. As part of the release, Infratil CEO Jason Boyes stated that “decarbonisation is essential to combat climate change and renewables is one of the single largest investment opportunities in history, with over US\$4 trillion of investment in wind and solar assets forecast over the next decade”.
- Synlait Milk has confirmed a sale and leaseback of its Auckland premises in Mangere. The site forms part of the manufacturing network providing additional blending and canning capacity, warehousing and office space. The sale price is \$30 million, and the initial lease term is 10-years.
- Ryman Healthcare has appointed a new CEO, Richard Umbers whose retail experience includes most recently Divisional Director of buying at supermarket retailer Kaufland in Germany, and CEO and managing director at retailer Myer in Australia. He also held senior roles at Woolworths in Australia and was managing director of Progressive Enterprises in New Zealand, now trading as Countdown supermarkets. Mr Umbers will join Ryman in October, taking over from Gordon MacLeod who signalled his intention to stand down earlier this year.

### Asia Pacific

- The Reserve Bank of Australia left the cash rate at 0.1% and tapered the quantitative easing program to a rate of \$4 billion per week (down from \$5 billion). Looking ahead, the RBA guided that the bond purchase program remained under review but would continue at the current \$4 billion rate “until at least mid-February 2022”.
- Australia’s banks will no longer be able to rely on a Reserve Bank loan facility to meet global rules that require them to hold sufficient liquid assets to meet a bank run. On Friday, the prudential regulator wrote to all Australian banks advising them that by the end of next year the committed liquidity facility (CLF), will be phased out, subject to financial market conditions. The CLF allowed banks to hold other less liquid assets instead that the Reserve Bank would accept as collateral in exchange for cash, if needed. APRA said it expected the banks to “purchase the high-quality liquid assets necessary to eliminate the need for the CLF” and analysts said the announcement should be supportive for government bond yields, particularly state, or semi-government bonds which have been under pressure of late.

### United States

- A new Federal Reserve report found that the US economic recovery slowed over the summer as a resurgence of COVID-19 cases linked to the Delta

variant caused consumers to pull back from taking trips or dining out. Supply problems and a labour shortage also held back growth in some sectors, such as auto or home sales, the Fed said. The report, known as the Beige Book, collects anecdotes from businesses around the country.

- Google faces a European Union anti-trust investigation over whether it may be forcing device makers to install Google Assistant as the default voice assistant on Android devices. A fresh EU anti-trust case could expose Google to a fine of as much as 10% of its global turnover. It has been fined more than \$9.5 billion by the European Commission in the last decade in three separate cases. The Commission in June said its sector inquiry into internet-connected devices drew concerns from respondents over certain exclusivity and tying practices related to voice assistants such as producers of smart devices being prevented from installing a second voice assistant on a device.

Market Performance for the period 03 Sep 2021 - 10 Sep 2021							
Index	Stocks			Bond Yield (%)	Bonds		
	Last	Change	% change		Last	Change	% change
NZX50	13,064	-224.5	-1.7%	NZ OCR	0.25	0.00	0%
ASX200	7,407	-116.3	-1.5%	NZ 2Y Govt	1.30	0.04	3%
S&P500	4,459	-76.9	-1.7%	NZ 5Y Govt	1.53	0.05	3%
NASDAQ	15,115	-248.0	-1.6%	NZ 5Y Swap	1.75	0.01	0%
Nikkei 225	30,382	1253.7	4.3%	NZ 10Y Govt	1.95	0.01	0%
Hang Seng	26,206	303.9	1.2%	AU 10Y Govt	1.22	0.00	0%
FTSE 100	7,029	-109.2	-1.5%	US 10Y Govt	1.34	0.02	2%
MSCI World (local)	7,089	-85.1	-1.2%	DE 10Y Govt	-0.33	0.03	-9%
MSCI World (NZD)	14,737	-185.7	-1.2%	GB 10Y Govt	0.76	0.04	6%
Currencies				Commodities			
Currency	Last	Change	% change	Commodity	Last	Change	% change
NZD:USD	0.71	-0.004	-0.6%	Oil - WTI	69.7	0.43	1%
NZD:AUD	0.97	0.008	0.8%	Oil - Brent	72.9	0.31	0%
NZD:GBP	0.51	-0.002	-0.5%	Gold	1,788	-40.15	-2%
AUD:USD	0.74	-0.010	-1.4%	Copper	444.8	12.25	3%
EUR:USD	1.18	-0.007	-0.6%	Aluminium	2,917	199.75	7%
GBP:USD	1.38	-0.003	-0.2%	Iron Ore	128	-14.58	-10%
USD:JPY	109.94	0.230	0.2%	Whole Milk Futures	3,720	45.00	1%
Bitcoin:USD	45,874	-4631	-9.2%	VIX (Volatility) Index	21	4.5	28%