

Yovich & Co. Weekly Update

March 10th 2014

	NZX 50	All Ords	Shanghai	FTSE	Dow	NASDAQ	NZDAUD	NZDUSD
Previous Week	4990.04	5415.45	2056.30	6815.77	16303.76	4331.58	0.9403	0.8396
Week Close	5125.65	5477.02	2057.91	6712.67	16452.72	4336.22	0.9338	0.8465
Change	2.72%	1.14%	0.08%	-1.51%	0.91%	0.11%	-0.69%	0.83%

This Week's Themes

- The end of reporting season saw investors push the NZ market to record highs with six consecutive up days.
- It was the best reporting season in Australia in three years, causing their market to reach post GFC highs.
- Strong jobs numbers out of the U.S. reiterated the strengthening of the U.S. economy and saw the Dow reach another all-time high.
- The Aussie and Kiwi both rallied against the U.S. Dollar with positive sentiment globally improving as traders take the bet that the conflict in the Ukraine will not worsen and end in war.

Investment News

Current Preferred Bonds:

ANBHA - ANZ - Perp Subordinated Bonds

FNZC Investment View: We expect redemption to occur in 2018. Based on this redemption date assumption, the estimated yield to redemption is 5.7%pa which is around 0.4% above similar rated securities with a 5 year fixed term to maturity. Credit rating BBB+ (Standard & Pooers).

ZEL010 - ZEL 15/10/16 7.35 - Z Energy Ltd Bonds

FNZC Investment View (August 2013) - Current Pick for bonds rated Triple B. This Bond is unrated although FNZC assess that the credit rating would be BBB-, BBB or BBB+ if they were.

IFT160 - IFT 15/06/17 8.50% - Infratil Limited Infrastructure

FNZC Investment View (August 2013) - Current pick for the unrated bonds given a yield of around 6.3%. This Bond is unrated although FNZC assess that the credit rating would be BB-, BB or BB+ if they were.

FBI070 - FBI 15/05/2016 7.75% Fletcher Building Industries - Capital Notes

Yovich & Co Investment View - Although not offering the best value, we believe that a yield of 5.5% is fair. This Bond is unrated although FNZC assess that the credit rating would be BB-, BB or BB+ if they were.

APM010 - APM 15/03/16 7.86% - APN Media

Yovich & Co Investment View: These bonds are now trading back at fair value and we are looking to buy any time they are over 8%. There continues to be uncertainty surrounding the Media industry and how companies will transition cash flow from print media to online media; APN is cutting costs and have a strategy in place. These bonds are unrated by a credit agency.

Code	Current Price	Maturity Date	Assumed Redemption	Yield To Redemption
ANBHA	\$0.99	Perpetual	18/04/18	5.70%
ZEL010	5.50%	15/10/16	15/10/16	5.50%
IFT160	6.20%	15/06/17	15/06/17	6.20%
FBI070	5.50%	15/05/16	15/05/16	5.50%
APM010	7.80%	15/03/16	15/03/16	7.80%