

# BRAMWELL BROWN LTD

## INVESTMENT ADVISERS – SHAREBROKERS

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### **Bramwell Brown Limited – Newsletter – March 2026**

#### **Official Cash Rate**

At its February meeting The Reserve Bank decided to leave the Official Cash Rate (OCR) at 2.25%. Here are some key points from the recent announcement.

#### **Inflation and Outlook**

- Annual inflation rose to 3.10% in the December 2025 quarter, slightly above the 1–3% target band.
- The Committee expects inflation to fall back to around the 2% midpoint within the next 12 months.
- Core inflation is stable, wage growth is moderate, and inflation expectations remain broadly anchored.

#### **Economic Conditions**

- The economy is recovering, supported by earlier monetary easing and strong export prices.
- Growth has been uneven: rural and primary sectors are stronger; household spending remains soft due to weak income growth and falling house prices.
- Investment activity is picking up from low levels.

#### **Financial Conditions**

- Domestic financial conditions have tightened since November, with higher wholesale and mortgage rates.
- The NZ dollar has appreciated.
- The financial system remains stable, with easing debt-servicing pressures and declining non-performing loans.

#### **Global Environment**

- Global growth has been resilient, but risks remain high due to trade policy and geopolitical tensions.
- Global inflation is mixed across regions.

#### **Decision**

- The Committee agreed to hold the Official Cash Rate (OCR) at 2.25%.
- Monetary policy will remain accommodative for some time, with gradual normalisation expected as inflation returns to target, and the recovery strengthens.

## Contact Energy

On February 16<sup>th</sup>, Contact Energy Limited announced that it proposes to raise \$525 million of new equity through a \$450 million underwritten placement, and up to \$75 million (with the ability to accept additional applications at Contact's discretion) through a retail offer to eligible Contact shareholders in New Zealand and Australia. The Retail Offer is open now and is intended to close at 5:00pm on March 6<sup>th</sup> 2026.

### Purpose of the Offer

The proceeds of the Offer will be used to advance the execution and potential upsizing of renewable energy projects which would accelerate the Contact31+ strategy, as further set out in the Investor Presentation that was released on February 16<sup>th</sup>.

### Retail Offer Overview

The Retail Offer provides the opportunity for Eligible Shareholders to increase the number of shares they hold in Contact and take advantage of the discount at which the shares will be issued under the Retail Offer, relative to the trading price prior to the announcement of the Offer.

Each Eligible Shareholder, being a person who was recorded in Contact's share register at 7:00pm on February 13<sup>th</sup> as holding Contact shares and having an address in New Zealand or Australia, has the option to apply to invest as much or as little as they want, up to a maximum of \$100,000.

Contact may elect to accept oversubscriptions and/or scale back the number of shares to be allotted under the Retail Offer in accordance with the terms and conditions set out in the Offer Document.

Further details about the Retail Offer can be found at [www.contactshareoffer.co.nz](http://www.contactshareoffer.co.nz)

What price are shares being issued at in the Retail Offer?

Shares will be issued under the Retail Offer at the lower of:

- a. \$8.75 (the price investors paid in the placement); and
- b. a 2.5% discount to the volume weighted average market price of Contact shares traded on the NZX Main Board over the five business day period prior to and including the closing date for the Retail Offer, rounded down to the nearest cent.

The Issue Price (in New Zealand dollars and in Australian dollars) is expected to be announced on March 12<sup>th</sup>, following the close of the Retail Offer.

## **Genesis Energy**

Genesis Energy Limited has announced its intention to undertake a pro rata renounceable rights offer to raise approximately \$300 million of new fully paid shares at an offer price of \$2.05. In conjunction with the Rights Offer, Genesis will be conducting an institutional placement to raise approximately \$100 million from institutional shareholders and investors.

### Purpose of the Offer

The total proceeds of the Offer will initially be used to reduce net debt and will allow Genesis to:

- accelerate its pipeline of growth opportunities.
- support the delivery of Horizon 2 within Genesis' broader Gen35 strategy, designed to position the business for growth, and increase optionality for Horizon 3; and
- accelerate its growth strategy while also remaining committed to an investment grade credit rating and current dividend policy as part of its broader capital management framework.

### Retail Offer Overview

Under the Rights Offer announced on February 23<sup>rd</sup>, Eligible Shareholders have a right to subscribe for 1 New Share for every 7.9 Existing Shares held at 7:00pm on the Record Date (being March 2<sup>nd</sup> 2026) at the Rights Offer Price of \$2.05. The Rights Offer Price of NZ\$2.05 represents a 10.8% discount to the Theoretical Ex-Rights Price of \$2.30, and is at a lower price than the Placement price of \$2.15.

Rights cannot be traded or sold on the NZX Main Board, but may be traded privately. The Rights Offer is expected to close at 5:00pm on March 17<sup>th</sup> (unless extended).

If you are an Eligible Shareholder, you may:

- take up all or some of your Rights; or
- take up all of your Rights and apply for Additional New Shares in the Shortfall Bookbuild; or
- do nothing.

If you do nothing or choose not to take up any or all of your Rights, any New Shares attributable to your Unexercised Rights will be offered as part of the Shortfall Bookbuild. You may still receive value for your Unexercised Rights if a Premium is realised under the Shortfall Bookbuild. There is no guarantee that a Premium will be realised.

Further details of the Rights Offer can be found at [www.shareoffer.co.nz/genesis](http://www.shareoffer.co.nz/genesis)

**Call or email the office if you would like to discuss the Contact Energy or Genesis Energy offers.**

## Investment Conference

I recently attended an online investment conference hosted out of Sydney. It painted a relatively gloomy picture, with uncertainty being a constant theme. Here are some of the main points I noted:

- Economies are moving away from globalisation to a focus on national priorities.
- Military/defence, energy, security (food/water/medical) are some of those priorities.
- Everyone wants to win the technology battle (AI).
- There's a big shift from monetary policy to fiscal policy.
- Most countries are grappling with the desire to kick-start their economy, yet keep inflation under control.
- President Trump's executive authority is out of control.
- Civil opposition in the US is being stifled.
- Government funding around the world for Research & Development is under siege.
- The United States used to be the gold standard market economy – not anymore.
- Will the US attack Iran? Probably. If they do, will the Strait of Hormuz be closed?
- In 2024, 20 million barrels of oil per day transited through the Hormuz Strait. Any disruption to that flow of oil has a significant effect on global trade.
- Emerging markets appear undervalued, with less debt to GDP than developed markets.

## Bank Term Deposit Rates

Here is a list of the bank term deposit rates currently available.

	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>4 Years</b>	<b>5 Years</b>
ANZ	3.55%	3.85%	4.00%	4.25%	4.50%
ASB	3.50%	4.00%	4.15%	4.30%	4.50%
BNZ	3.55%	4.00%	4.05%	4.30%	4.40%
Heartland	3.50%	3.95%	4.10%	4.25%	4.45%
Kiwibank	3.55%	4.00%	4.10%	4.30%	4.40%
Rabobank	3.60%	3.85%	4.10%	4.25%	4.50%
Westpac	3.55%	4.00%	4.10%	4.30%	4.40%