

MORNING REPORT

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Top News

NZ shares gain 1.8% in April in subdued end to month

New Zealand shares edged higher in the final day of April trading, capping a 1.8 percent gain for the month that saw the benchmark index cross the 10,000 level for the first time.

The S&P/NZX 50 Index increased 1.06 points, or 0.01 percent, to 10,013.83. Within the index, 23 stocks rose, 22 fell, and five were unchanged. Turnover was \$195.2 million, of which Trade Me Group accounted for \$42.4 million.

Trading was subdued with a lot of investors in Sydney for the Macquarie Australia Conference, where dozens of company executives provide updates on their businesses.

April was another month of solid gains for the benchmark index, taking its year-to-date increase to 13.7 percent, ahead of the reporting period for companies with March and September balance dates.

Three of the four major Australian banks will report first-half earnings during the coming week, with Australia and New Zealand Banking Group first up tomorrow. ANZ's local subsidiary is New Zealand's biggest bank, and is most at risk from the Reserve Bank's proposals to hike lenders' capital requirements. The dual-listed shares decreased 0.2 percent to \$28.74 today.

Z Energy, which reports on Thursday, was up 0.5 percent at \$6.33.

"I don't think there'll be a massive outperformance from the companies that are reporting - perhaps the odd surprise," said Grant Davies, an investment advisor at Hamilton Hindin Greene.

NZ dollar tad higher ahead of domestic jobs data

The New Zealand dollar has shrugged off weak manufacturing data in China ahead of key domestic jobs data.

The kiwi was trading at 66.79 US cents at 8am in Wellington from 66.62 at 5pm. The trade-weighted index was at 72.77 points from 72.68.

The kiwi had eased on the back of China's weaker-than-expected manufacturing but pared those losses as the greenback came under further pressure ahead of the US Federal Reserve rate decision early Thursday New Zealand time.

Today's jobs data - due mid-morning - is the last piece of data ahead of the central bank's May 8 monetary policy decision, the first to be made by a committee. Employment has become a key focus as the Reserve Bank now has a dual mandate to support maximum sustainable employment and keep annual CPI inflation between 1 percent and 3 percent over the medium term, with a focus on the mid-point of 2 percent.

Economists are expecting the unemployment rate to ease to 4.2 percent from 4.3 percent and for wage inflation to remain muted.

The central bank surprised markets in its most recent statement in March when it said its next likely move was a rate cut.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	10,840.64	2.09	▲ 0.02%
S&P/NZX 50 Index	10,013.83	1.06	▲ 0.01%
S&P/NZX MidCap Index	28,252.70	22.74	▼ 0.08%
S&P/NZX SmallCap Index	60,402.82	155.91	▲ 0.26%
S&P/NZAX All Index	625.49	0.00	▼ 0.00%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,418.40	31.20	▼ 0.48%
S&P/ASX 200	6,325.50	34.00	▼ 0.53%
ASX Small Ordinaries	2,855.00	4.30	▼ 0.15%
S&P/ASX MIDCAP 50	6,812.50	44.10	▼ 0.64%
S&P/ASX 20	3,519.60	16.50	▼ 0.47%
Foreign Markets Index			
	Last	Change	
S&P 500	2,945.83	2.80	▲ 0.10%
Dow Jones Industrial Average	26,592.91	38.52	▲ 0.15%
NASDAQ Composite	8,095.39	66.47	▼ 0.81%
DAX PERFORMANCE-INDEX	12,344.08	16.06	▲ 0.13%
ASX All Ordinaries	6,418.40	31.20	▼ 0.48%
NIKKEI 225	22,258.73	48.85	▼ 0.22%
HANG SENG INDEX	29,699.11	193.69	▼ 0.65%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9469	0.0001	▼ 0.01%
USD	0.6675	0.0003	▼ 0.04%
CNY	4.4990	0.0000	0.00%
EUR	0.5953	0.0001	▲ 0.02%
CAD	0.8935	0.0005	▼ 0.06%
GBP	0.5121	0.0001	▲ 0.02%
JPY	74.3635	0.0520	▼ 0.07%
NZ Interest Rates			
	Last	Change	
NZ OCR	1.75		
3-month Bank Bill	1.88		
5-year Swap	1.83		
10-year Swap	2.24		
Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,285.30	3.80	▲ 0.30%
Silver	14.90	0.06	▲ 0.41%
Crude Oil	63.41	0.09	▼ 0.14%

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