

MORNING REPORT

As at 8.47 AM 2/04/2019

Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

Top News

NZ shares join Asian rally as Chinese data boosts investor confidence

New Zealand shares continued their march higher, joining a rally across Asia as better than expected Chinese manufacturing data lifted investor confidence. Tourism Holdings led the market higher.

The S&P/NZX 50 Index increased 8.96 points, or 0.1 percent, to a record close 9,853.91. Within the index, 28 stocks rose, 19 fell, and three were unchanged. Turnover was \$127 million.

Stock markets across Asia rose after the Caixin/Markit manufacturing purchasing managers' index showed unexpected expansion in March, with new orders at their highest level in four months. China's Shanghai Shenzhen CSI 300 Index was up 3.9 percent in afternoon trading. Singapore's Straits Times Index rose 0.3 percent and South Korea's Kospi 200 Index gained 0.5 percent.

"Usually there's quite a bit of window-dressing coming out of March and you can have a bit of a decline on the first day of April," said Peter McIntyre, an investment adviser at Craigs Investment Partners.

"The flash PMIs from China were expected to be in the high-40s and they come out above 50, so Asia's trading really strongly."

Low interest rates have pushed the benchmark New Zealand index into record territory, as the dominance of defensive stocks with regular dividend payments attract investors in search of yield.

McIntyre said the benchmark index was close enough to 10,000 that it was odds-on to break through the level.

NZ dollar weighed by positive US manufacturing data, eyes on QSBO, RBA

The New Zealand dollar was slightly weaker against the greenback after some positive US manufacturing data but remains above 68 cents as risk appetite picks up.

The Kiwi was trading at 68.10 US cents at 8am in Wellington from 68.22 US cents at 5pm yesterday. The trade-weighted index was at 73.86 from 73.98.

The US dollar got a lift when the Institute for Supply Management said its manufacturing index rose to 55.3 in March from 54.2 in the previous month. Economists surveyed by The Wall Street Journal had expected a 54.4 reading for March.

"Better-than-expected US data helped ease fears about the US growth outlook, for the moment, while the rebound in China's manufacturing data continued to ripple across global markets," said ANZ Fx/rates strategist Sandeep Parekh. Markets were already cheered by Chinese March official manufacturing PMI, which came in at 50.5 points from 49.2 in February.

Looking ahead, Parekh said today's New Zealand Institute of Economic Research's latest quarterly survey of business opinion will be closely for any further signs capacity pressures are waning, plus a read on gross domestic product into 2019.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,663.93	13.52	▲	0.13%
S&P/NZX 50 Index	9,853.92	8.97	▲	0.09%
S&P/NZX MidCap Index	28,224.90	113.64	▲	0.40%
S&P/NZX SmallCap Index	58,252.31	536.94	▲	0.93%
S&P/NZAX All Index	597.29	1.83	▲	0.31%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,299.70	38.00	▲	0.61%
S&P/ASX 200	6,217.00	36.30	▲	0.59%
ASX Small Ordinaries	2,759.80	15.10	▲	0.55%
S&P/ASX MIDCAP 50	6,654.90	37.80	▲	0.57%
S&P/ASX 20	3,478.10	27.50	▲	0.80%
Foreign Markets Index				
	Last	Change		
S&P 500	2,865.69	31.29	▲	1.10%
Dow Jones	26,240.62	311.94	▲	1.20%
NASDAQ Composite	7,823.20	93.88	▲	1.21%
DAX	11,681.99	155.95	▲	1.35%
ASX All Ordinaries	6,299.70	38.00	▲	0.61%
NIKKEI 225	21,509.03	303.22	▲	1.43%
HANG SENG INDEX	29,562.02	510.66	▲	1.76%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9572	0.0011	▼	0.11%
USD	0.6809	0.0012	▼	0.18%
CNY	4.5700	0.0080	▼	0.17%
EUR	0.6074	0.0001	▲	0.02%
CAD	0.9071	0.0036	▼	0.40%
GBP	0.5191	0.0040	▼	0.76%
JPY	75.8160	0.0710	▲	0.09%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.88			
5-year Swap	1.80			
10-year Swap	2.19			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,292.50	6.00	▼	0.46%
Silver	15.07	0.04	▼	0.26%
Crude Oil	61.60	1.46	▲	2.43%

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www.equity.co.nz E-mail: Info@equity.co.nz

Contact Equity Investment Advisers today.
 Tel: +64 (9)304 0145 / NZ: 0800 474 669