

MORNING REPORT

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Top News

NZ dollar head for 1.9% weekly fall, sheds 6.5% over the quarter

The New Zealand dollar is heading for a 1.9 percent weekly decline after touching a fresh two-year low in Asian trading but got a late bounce after European Union leaders agreed to set up joint asylum processing sites and restrict migrants' moves within the bloc.

The kiwi fell as low as 67.36 US cents and was trading at 67.76 cents as at 5pm in Wellington from 67.52 cents at 8am and 67.80 cents yesterday. It traded at 69.06 last Friday. It shed 6.5 percent over the quarter. The trade-weighted index fell to 72.42 from 72.61 late yesterday.

The local currency remained under pressure after the Reserve Bank kept rates at a record low 1.75 percent Thursday and continued to leave the door open for a possible cut as downside risks increase. However, it benefited from some US dollar selling when European leaders reached an agreement on migration after nine hours of negotiation. "All the measures in the context of these controlled centres, including relocation and resettlement, will be on a voluntary basis," said the leaders' joint statement, according to Reuters. The 28 EU leaders also agreed to tighten their external border more, increase financing for Turkey, Morocco and Northern African states to prevent migration to Europe.

NZ shares taper off in strong June qtr; Summerset, Ebos fall; Westpac gains

New Zealand shares ran out of puff in the final day of the June quarter, which has been the strongest quarterly performance in more than two years. Summerset Group Holdings and Ebos Group declined and Westpac Banking Corp gained.

The S&P/NZX 50 index fell 55.66 points, or 0.6 percent, to 8,943.13. Within the index, 29 stocks declined, 11 gained and 10 were unchanged. Turnover was \$176 million.

The benchmark index ended the quarter on a down note, although it still managed to finish its strongest three-month run since late 2015 with an 8 percent quarterly gain. During that period, the NZX50 touched new records but failed to close above 9,000.

Grant Williamson, a director at Hamilton Hindin Greene in Christchurch, said New Zealand's market turned around after a lacklustre first quarter in a widespread gain spanning both growth-orientated stocks and defensive utility-type yield investments.

"After the first quarter of 2018 we thought this is going to be a tough year, but what a turnaround we've seen this quarter," he said. "Any losses experienced in the first quarter are more than taken care of."

Synlait Milk was the best performer in the quarter, jumping 37 percent to \$11.44, while Kathmandu Holdings climbed 21 percent to \$2.91, after delivering upbeat earnings guidance. The stocks fell 0.5 percent and 1.7 percent today, respectively.

Ebos was the worst performer today, down 2.5 percent to \$17.95, ending the quarter up 0.1 percent, while Summerset fell 2.2 percent to \$7.65, trimming its quarterly gain to 9.9 percent.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,734.37	58.24	▼	0.59%
S&P/NZX 50 Index	8,943.13	55.66	▼	0.62%
S&P/NZX MidCap Index	25,324.69	149.28	▼	0.59%
S&P/NZX SmallCap Index	62,866.00	162.26	▲	0.26%
S&P/NZAX All Index	498.71	0.53	▲	0.11%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,289.70	16.10	▼	0.26%
S&P/ASX 200	6,194.60	20.80	▼	0.33%
ASX Small Ordinaries	2,859.00	5.10	▼	0.18%
S&P/ASX MIDCAP 50	6,921.40	21.50	▼	0.31%
S&P/ASX 20	3,427.50	13.50	▼	0.39%
Foreign Markets Index				
	Last	Change		
S&P 500	2,718.37	2.06	▲	0.08%
Dow Jones	24,271.41	55.36	▲	0.23%
NASDAQ Composite	7,510.30	6.62	▲	0.09%
FTSE	7,636.93	21.30	▲	0.28%
ASX All Ordinaries	6,289.70	16.10	▼	0.26%
NIKKEI 225	22,304.51	34.12	▲	0.15%
HANG SENG INDEX	28,955.11	457.79	▲	1.61%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9165	0.0025	▲	0.27%
USD	0.6781	0.0014	▲	0.21%
CNY	4.4830	0.0050	▲	0.11%
EUR	0.5827	0.0036	▲	0.62%
CAD	0.8916	0.0029	▲	0.33%
GBP	0.5148	0.0025	▲	0.49%
JPY	74.9550	0.0500	▲	0.07%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.53			
10-year Swap	3.02			
Commodities Futures				
	Last	Change		
Gold	1,254.20	3.20	▲	0.26%
Silver	16.16	0.12	▲	0.74%
Crude Oil	74.25	0.80	▲	1.09%

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