



MORNING REPORT

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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 dollar pares losses after weak US manufacturing data

The New Zealand dollar pared some losses on US dollar weakness after soft manufacturing data there overnight.

The Institute for Supply Management's factory index slipped to 47.8 in September, the lowest since June 2009, Bloomberg reported. The figure missed all estimates in a Bloomberg survey that had called for an increase from August's 49.1. The group's production gauge slipped to a 10-year low while the employment measure also dropped to the lowest since January 2016.

The kiwi may also have found some support when the global dairy commodity price index strengthened slightly by 0.2 percent, with average prices reaching US\$3,306 a tonne. Prices continued to hold above US\$3000, as they have done so since the start of 2019.

The kiwi traded at 93.09 Australian cents from 92.78 at 5.50pm. It was at 67.25 yen from 67.58 and at 4.4616 Chinese yuan from 4.4590 yuan. It traded at 57.07 euro cents from 57.32 cents and was at 50.76 British pence from 50.82 pence.

Investor demand continues for yield stocks

NZ shares followed international markets higher as the low-interest-rate environment continues to see investor demand for yield stocks.

Kathmandu shares are in a trading halt as the outdoor clothing retailer completes an entitlement offer to raise \$145 million for the deal. The company will pay \$368 million to buy the surf brand which it says will create a billion-dollar retailer and add at least 10 percent to earnings per share.

Today the Reserve Bank of Australia decided to lower its cash rate by 25 basis points to 0.75 per cent, as expected by economists. RBA governor Philip Lowe indicated an extended period of low-interest rates will be needed in Australia.

On the NZX strong yielding stocks such as Mercury Energy and Spark performed well today, with the electricity firm up 2.79 percent to \$5.15 and the telco up 1.8 percent to \$4.49 off a volume of 2.3 million shares. Spark was the second most traded company today.

Spark told the market today that its deal for Telstra to buy a 25 percent stake in the Southern Cross Cable Network is almost completed. The transaction will see Spark's shareholding in Southern Cross to become about 40 percent from 50 percent.

Goodman Property Trust was the volume leader today, with its price up 0.23 percent to \$2.2 off almost 3.6 million shares traded. Fellow developer and Sylvia Park mall owner Kiwi Property Group also traded more than a million shares, with its price up by 0.90 percent to \$1.65.

Sky Network Television rose today by 1.79 percent to \$1.14 after it announced today the appointment of Neil Martin as the new global chief executive of RugbyPass.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,866.43	75.29	▲	0.64%
S&P/NZX 50 Index	10,996.99	69.68	▲	0.64%
S&P/NZX MidCap Index	31,349.46	11.80	▲	0.04%
S&P/NZX SmallCap Index	61,781.06	107.00	▲	0.17%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,853.00	52.40	▲	0.77%
S&P/ASX 200	6,742.80	54.50	▲	0.81%
ASX Small Ordinaries	2,919.70	25.40	▲	0.88%
S&P/ASX MIDCAP 50	7,137.70	80.70	▲	1.14%
S&P/ASX 20	3,740.10	26.10	▲	0.70%

Foreign Markets Index				
	Last	Change		
S&P 500	2,940.25	36.49	▼	1.23%
Dow Jones	26,573.04	343.79	▼	1.28%
NASDAQ Composite	7,908.68	90.65	▼	1.13%
DAX	12,263.83	164.25	▼	1.32%
ASX All Ordinaries	6,853.00	52.40	▲	0.77%
NIKKEI 225	21,885.24	129.40	▲	0.59%
HANG SENG INDEX	26,092.27	137.46	▲	0.53%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9316	0.0035	▲	0.38%
USD	0.62	-0.0019	▼	0.30%
CNY	4.4660	-0.0110	▼	0.25%
EUR	0.57	-0.0037	▼	0.65%
CAD	0.8257	-0.0038	▼	0.46%
GBP	0.51	-0.0019	▼	0.37%
JPY	67.2710	-0.4255	▼	0.63%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.13			
5y Swap	0.93			
10y Swap	1.22			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,487.00	14.10	▲	0.96%
Silver	17.32	0.32	▲	1.86%
Crude Oil	53.62	0.45	▼	0.83%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

Do you need to make any changes to your portfolio?
www.equity.co.nz E-mail: Info@equity.co.nz

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