



## MORNING REPORT

As at 9.00 AM 2/09/2019

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

### Top News

#### NZ dollar hovers below 63 US cents on trade war jitters

The New Zealand dollar hovered just below 63 US cents after the US and China imposed previously announced additional tariffs on Sunday, adding to fears a resolution is not on the immediate horizon.

The kiwi was trading at 62.93 US cents at 7:55 am in Wellington versus 63.06 US cents late Friday in New York. It touched a low of 62.81 cents overnight Friday, the lowest since September 2015. The trade-weighted index was at 70.44 versus 70.54 Friday.

The US imposed a 15 percent tariff on US\$110 billion of Chinese imports and is slated to add them on another US\$160 billion of goods on Dec. 15. China will impose tariffs on US\$75 billion of imports between September and December.

The kiwi was likely also weighed by news China's manufacturing purchasing managers' index, released by the National Bureau of Statistics on Saturday, was 49.5 in August versus 49.7 in July, slightly below analysts' expectations.

#### Vista recovers in heavy day of trading

New Zealand shares rose in heavy trading, led by Vista Group International which recovered some of yesterday's sharp sell-off.

Stocks across Asia followed Wall Street higher with investors more upbeat when Chinese authorities took a more conciliatory stance to US President Donald Trump's latest round of import tariffs. Hong Kong's Hang Seng was up 0.6 percent in afternoon trading, South Korea's Kospi 200 Index rose 1.8 percent, and Australia's S&P/ASX 200 Index climbed 1.4 percent.

Vista led the market higher as it recovered from a seven-month low, rising 4.9 percent to \$4.04 on a volume of 4.7 million shares, about 14 times its 90-day average of 336,000. The stock slumped 29 percent yesterday when it trimmed its outlook for revenue growth. Chorus rose 0.7 percent to \$5.04 on an unusually large volume of 4.7 million shares and Spark was up 1.1 percent at \$4.42 on a volume of 3.6 million. A2 Milk rose 3.1 percent to \$14.45 on a volume of 1.2 million shares.

Of other stocks trading on volumes of more than a million shares, Precinct Properties New Zealand increased 0.8 percent to \$1.866, Kiwi Property Group rose 1.2 percent to \$1.63, Auckland International Airport was up 1.7 percent at \$9.62, Infratil was unchanged at \$4.55, Goodman Property rose 1.2 percent to \$2.18, Argosy Property advanced 1.4 percent to \$1.465, and Skellerup was unchanged at \$2.23.

Fletcher Building rose 2.8 percent to \$4.44 on a volume of 1.6 million shares, as resource consents data supported the construction sector. Stats NZ said new residential building permits remain at 45 year-highs and economists are picking more activity off cheaper finance in the low-interest-rate environment.

Retirement operators Summerset Group and Ryman Healthcare also gained, with shares of Summerset rising by 3.8 percent to \$6.04 and Ryman lifting by 3.8 percent to \$13.02.

#### NZX Index

Index	Last	Change
S&P/NZX All Index	11,609.02	186.01 ▲ 1.63%
S&P/NZX 50 Index	10,757.20	177.13 ▲ 1.67%
S&P/NZX MidCap Index	30,505.24	336.01 ▲ 1.11%
S&P/NZX SmallCap Index	59,691.67	330.84 ▲ 0.56%

#### ASX Index

Index	Last	Change
ASX All Ordinaries	6,698.20	92.50 ▲ 1.40%
S&P/ASX 200	6,604.20	96.80 ▲ 1.49%
ASX Small Ordinaries	2,837.30	23.60 ▲ 0.84%
S&P/ASX MIDCAP 50	7,041.90	75.40 ▲ 1.08%
S&P/ASX 20	3,652.50	61.40 ▲ 1.71%

#### Foreign Markets Index

	Last	Change
S&P 500	2,926.46	1.88 ▲ 0.06%
Dow Jones Industrial Average	26,403.28	41.08 ▲ 0.16%
NASDAQ Composite	7,962.88	10.51 ▼ 0.13%
DAX PERFORMANCE-INDEX	11,939.28	100.38 ▲ 0.85%
ASX All Ordinaries	6,698.20	92.50 ▲ 1.40%
NIKKEI 225	20,704.37	243.47 ▲ 1.19%
HANG SENG INDEX	25,724.73	21.23 ▲ 0.08%

#### Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9369	-0.0002 ▼ 0.02%
USD	0.63	0.0000 ▲ 0.00%
CNY	4.5160	0.0000 ▲ 0.00%
EUR	0.57	0.0000 ▲ 0.00%
CAD	0.8398	0.0001 ▲ 0.01%
GBP	0.52	-0.0002 ▼ 0.04%
JPY	66.8750	-0.0100 ▼ 0.01%

#### NZ Interest Rates

	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.19	
5y Swap	0.94	
10y Swap	1.20	

#### Commodities Futures (Spot Price \$USD)

	Last	Change
Gold	1,529.20	7.70 ▼ 0.50%
Silver	18.48	0.16 ▲ 0.86%
Crude Oil	55.16	1.55 ▼ 2.73%

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[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

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