

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 holds gains as traders await US data, tariffs; 10-yr swaps hit 18-mth low

The New Zealand dollar held gains against the greenback but stuck to a tight range ahead of a slew of events this week, including a raft of tariffs kicking in and key US data, such as the non-farm payrolls.

Ten-years swaps, meanwhile fell below 3 percent for the first time since late 2016 as investors see the Reserve Bank on hold for longer.

The kiwi dollar traded at 67.70 US cents as at 5pm in Wellington from 67.72 cents as at 8:30am and 67.64 cents in late New York trading on Friday. The trade-weighted index rose to 72.41 from 72.21.

The kiwi held its gains after European Union leaders agreed to set up migrant processing centres and take collective responsibility for the flood of people from the Middle East and Africa heading and after US data was slightly subdued Friday. Events over the course of the week, however, could push it around.

Among other things, investors will be keeping a close eye on trade developments after Canada imposed new tariffs on the US and as China's new tariffs come into force later in the week.

Domestically, ANZ Bank New Zealand senior economist Phil Borkin said investors will be watching the New Zealand Institute of Economic Research's quarterly survey of business opinion tomorrow, which may show an ongoing slide in business confidence, in particular after sentiment hit a seven-year low in the ANZ survey last week.

NZ shares down as Fonterra Fund, Trade Me drop while Ebos Group hits record

New Zealand shares fell in light trading, led by Fonterra Shareholders' Fund and Trade Me Group while Ebos Group surged on a new deal which could bring A\$1 billion in revenue in its first year.

The S&P/NZX 50 Index dipped 0.66 points, or 0.007 percent, to 8,924.47. Within the index, 24 stocks fell, 19 rose and seven were unchanged. Turnover was \$90.7 million.

"Even though Friday night's close in the US wasn't too bad, Asian markets are a bit skittery but we're not following suit, we're flat. We haven't had a lot of volume today," said Peter McIntyre, investment adviser at Craigs Investment Partners

Fonterra led the index lower, down 2.6 percent to \$5.30, while Trade Me fell 2.4 percent and Australia and New Zealand Banking Group dropped 2.1 percent to \$30.35.

Ebos Group was the best performer, up 7.2 percent to \$19.25, though it surged to a record \$19.50 during the session. The pharmaceutical and animal health products maker won a bid for a distribution deal with Australia's Chemist Warehouse which could bring in A\$1 billion of revenue in the first year.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,735.45	0.78	▲	0.01%
S&P/NZX 50 Index	8,942.47	0.66	▼	0.01%
S&P/NZX MidCap Index	25,384.75	60.06	▲	0.24%
S&P/NZX SmallCap Index	62,854.94	45.05	▼	0.07%
S&P/NZAX All Index	496.74	1.96	▼	0.39%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,273.30	16.40	▼	0.26%
S&P/ASX 200	6,177.80	16.80	▼	0.27%
ASX Small Ordinaries	2,847.30	11.70	▼	0.41%
S&P/ASX MIDCAP 50	6,917.20	4.20	▼	0.06%
S&P/ASX 20	3,416.80	10.70	▼	0.31%
Foreign Markets Index				
	Last	Change		
S&P 500	2,726.71	8.34	▲	0.31%
Dow Jones	24,307.18	35.77	▲	0.15%
NASDAQ Composite	7,567.69	57.38	▲	0.76%
FTSE	7,547.85	89.08	▼	1.17%
ASX All Ordinaries	6,273.30	16.40	▼	0.26%
NIKKEI 225	21,811.93	492.58	▼	2.21%
HANG SENG INDEX	28,955.11	457.79	▲	1.61%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9151	0.0020	▼	0.22%
USD	0.6714	0.0079	▼	1.16%
CNY	4.4740	0.0090	▼	0.20%
EUR	0.5768	0.0046	▼	0.79%
CAD	0.8854	0.0081	▼	0.91%
GBP	0.5110	0.0038	▼	0.74%
JPY	74.4305	0.7445	▼	0.99%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.53			
10-year Swap	3.01			
Commodities Futures				
	Last	Change		
Gold	1,242.80	11.70	▼	0.93%
Silver	15.89	0.31	▼	1.93%
Crude Oil	73.98	0.17	▼	0.23%

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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