



MORNING REPORT

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Top News

NZ dollar near 2-week low as Trump takes hard-line stance on trade

The New Zealand dollar traded near a two-week low as US President Donald Trump reverted to his hard-line stance on trade as North American Free Trade Agreement talks and a review into Chinese tariffs come to a close.

The US dollar index gained 0.4 percent as Trump stuck to an aggressive line on trade, accusing the European Union of being "almost as bad as China, just smaller" in an interview with Bloomberg. Separately, he said Canada doesn't have to be in the Nafta deal and has signalled plans to proceed with a bilateral agreement with Mexico. Meantime, Trump is reportedly keen to press ahead with US\$200 billion of tariffs on Chinese imports as early as this week.

Local data today include June quarter terms of trade, which ANZ Bank New Zealand economists predict will rise about 1 percent in the three month period from a 1.9 percent fall in March. Australian data on retail sales, manufacturing, housing, inventories and company profits, and Chinese manufacturing figures will also be watched. The US is closed on Monday for the Labor Day holiday.

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New Zealand shares dipped, led lower by Sky Network Television and Tourism Holdings, but gained over 4 percent in the month after a busy earnings season.

While the benchmark index fell Friday, it is up 4.4 percent for the month and hit a record high Wednesday. Gains have been led by the largest stocks with the NZSE10 index up 6.9 percent to 9178.8 in August.

Sky Network Television was the worst performer, down 6.5 percent to \$2.15, the lowest it has closed since mid-May. Last Friday, the pay-TV operator wrote down its value by \$360 million at the end of its financial year, resulting in a \$240.7 million annual loss.

Tourism Holdings dropped 3.6 percent to \$5.60. It reported a record June year net profit of \$62.4 million on Tuesday, of which \$23.1 million was an accounting gain on setting up its TH2 joint venture with RV maker Thor Industries. The company said it will step up investment in the JV which will stop it from repeating another year of record profits.

Today, the Overseas Investment Office announced it had cleared THL's campervan manufacturing business to acquire a new site to expand its operations in Hamilton. In July, the OIO allowed Action Manufacturing, of which THL owns half, to acquire a leasehold interest in 1.5 hectares of land at Te Rapa for \$8.6 million.

Units in Fonterra Shareholders Fund dropped 0.6 percent to \$5.01. Fonterra Cooperative Group cut its forecast payout to farmers by 25 cents per kilogram of milk solids, blaming increased supply in Europe and the Americas, and appetite for dairy products in emerging markets cooling.

NZX Index				
Index	Last	Change		

S&P/NZX All Index	10,135.86	24.99	▼	0.25%
S&P/NZX 50 Index	9,313.20	26.68	▼	0.29%
S&P/NZX MidCap Index	25,943.91	71.33	▼	0.27%
S&P/NZX SmallCap Index	64,705.39	234.88	▲	0.36%
S&P/NZAX All Index	534.87	9.53	▼	1.75%

ASX Index				
Index	Last	Change		

ASX All Ordinaries	6,427.80	32.70	▼	0.51%
S&P/ASX 200	6,319.50	32.30	▼	0.51%
ASX Small Ordinaries	2,890.20	19.70	▼	0.68%
S&P/ASX MIDCAP 50	7,173.10	50.80	▼	0.70%
S&P/ASX 20	3,482.10	17.70	▼	0.51%

Foreign Markets Index				
	Last	Change		

S&P 500	2,901.52	0.39	▲	0.01%
Dow Jones Industrial Average	25,964.82	22.10	▼	0.09%
NASDAQ Composite	8,109.54	21.17	▲	0.26%
DAX PERFORMANCE-INDEX	12,364.06	130.18	▼	1.04%
ASX All Ordinaries	6,427.80	32.70	▼	0.51%
NIKKEI 225	22,865.15	4.35	▼	0.02%
HANG SENG INDEX	27,888.55	275.50	▼	0.98%

Currencies (per NZ\$ 1.00)				
	Last	Change		

AUD	0.9205	0.0003	▼	0.03%
USD	0.6618	0.0005	▼	0.08%
CNY	4.5240	#VALUE!	#VALUE!	
EUR	0.5703	0.0005	▼	0.09%
CAD	0.8654	0.0020	▲	0.23%
GBP	0.5121	0.0010	▲	0.20%
JPY	73.4950	0.0500	▼	0.07%

NZ Interest Rates				
	Last	Change		

NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.32			
10-year Swap	2.83			

Commodities Futures				
	Last	Change		

Gold	1,206.90	1.90	▲	0.16%
Silver	14.57	0.02	▼	0.13%
Crude Oil	69.88	0.37	▼	0.53%

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