

MORNING REPORT

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Top News

NZ shares snap 6-day gain, Spark falls on Moutter exit

New Zealand shares slipped from a record, with Spark New Zealand falling after managing director Simon Moutter signalled his exit from the country's biggest telecommunications company.

The S&P/NZX 50 Index fell 19.09 points, or 0.2 percent, to 9,9939.26, snapping a six-day gain. Within the index, 24 stocks declined, 20 gained, and six were unchanged. Turnover was \$193.5 million.

Spark declined 3.3 percent to \$3.65 on an average volume of 5.5 million after Moutter announced his departure at the end of June, with customer director and former finance chief Jolie Hodson to take over the reins. Fat Prophets lowered its rating on Spark to 'sell' from 'buy', saying Moutter's departure was a surprise and that the timing felt a year or so early.

Rickey Ward, NZ equities manager at JBWere, said there had been some speculation last year that Moutter was going to leave given how long he'd been at Spark, but that was quickly shot down.

"The real surprise part is 'why 1 July?', and not 'why?'," Ward said. "He's well-respected by many, many investors. The share price fall today is purely on the back of his resignation."

Ward said Hodson's involvement in Spark in the executive team indicated that succession had been planned over a few years rather than a few months and that the company's strategy won't stray too far from the current path.

NZ dollar up on US-China trade optimism

The New Zealand dollar rose after positive headlines out of US-China trade talks and as weak US data weighed on the greenback.

The kiwi was trading at 67.83 US cents at 8am from 67.70 US cents at 5pm in Wellington. The trade-weighted index was at 73.52 points from 73.45.

Risk appetite got a lift when White House economic director Larry Kudlow told an event hosted by the Christian Science Monitor that US-China trade negotiations are "making good headway."

The "kiwi edged higher on the back of positive US-China trade headlines with soft US data also providing support," ANZ FX/rates strategist Sandeep Parekh said.

Mike Shirley, senior dealer at Kiwibank, said news that the US and China were making further strides mean that "risk was on" but the US data kept it from being "cranked up."

The Institute for Supply Management said its non-manufacturing activity index fell 3.6 percentage points to 56.1 for March, the lowest since August 2017. The ADP National Employment Report on Wednesday showed private employers added 129,000 jobs last month, the fewest since September 2017. About 197,000 positions had been created in February.

According to Parekh the kiwi tested 68 US cents overnight before easing and "with little domestic data out, the kiwi remains at the mercy of offshore moves."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,753.25	27.75	▼	0.26%
S&P/NZX 50 Index	9,939.27	24.60	▼	0.25%
S&P/NZX MidCap Index	28,529.02	33.41	▼	0.12%
S&P/NZX SmallCap Index	58,492.68	203.26	▼	0.35%
S&P/NZAX All Index	601.45	4.16	▲	0.70%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,368.70	40.90	▲	0.65%
S&P/ASX 200	6,285.00	42.60	▲	0.68%
ASX Small Ordinaries	2,788.40	4.40	▲	0.16%
S&P/ASX MIDCAP 50	6,750.70	38.60	▲	0.58%
S&P/ASX 20	3,511.60	26.20	▲	0.75%
Foreign Markets Index				
	Last	Change		
S&P 500	2,872.31	5.07	▲	0.18%
Dow Jones	26,211.45	32.32	▲	0.12%
NASDAQ Composite	7,889.53	40.84	▲	0.52%
DAX	11,954.40	199.61	▲	1.70%
ASX All Ordinaries	6,368.70	40.90	▲	0.65%
NIKKEI 225	21,713.21	207.90	▲	0.97%
HANG SENG INDEX	29,986.39	361.72	▲	1.22%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9529	0.0028	▼	0.29%
USD	0.6781	0.0024	▲	0.36%
CNY	4.5500	0.0080	▲	0.18%
EUR	0.6032	0.0001	▲	0.02%
CAD	0.9047	0.0035	▲	0.39%
GBP	0.5152	0.0009	▲	0.17%
JPY	75.5615	0.3490	▲	0.46%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.88			
5-year Swap	1.79			
10-year Swap	2.21			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,295.00	0.40	▼	0.03%
Silver	15.09	0.03	▲	0.19%
Crude Oil	62.42	0.16	▼	0.26%

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