

MORNING REPORT

As at 8.55 AM 4/02/2019

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 shares edge up ahead of earnings season; Air NZ at 3-month low

New Zealand shares edged higher in relatively quiet trading as investors wait for company earnings season to kick off later this month. Air New Zealand dropped to a three-month low, extending its decline after this week's profit warning.

The S&P/NZX 50 increased 13.83 points, or 0.2 percent, to 8,999.17. Within the index, 26 stocks gained, 17 fell, and seven were unchanged. Turnover was \$131.5 million.

New Zealand and Australian equity markets were subdued, despite a stronger lead from Wall Street overnight. Company earnings begin next week in Australia including Commonwealth Bank of Australia and Insurance Australia Group, coming in the wake of Monday's royal commission report into financial services.

"Markets in New Zealand and Australia were pretty much flat on the day, on, with the odd exception, very light volumes and very light news flow," said Matt Goodson, managing director at Salt Funds Management.

New Zealand's earnings season really begins the following week, with Contact Energy the first major company to report. It was unchanged at \$6.04 today on 3.9 million shares, more than three times its 90-day average.

NZ dollar dips back below 69 US cents on strong US jobs data

The New Zealand dipped back below 69 US cents after a surge in January U.S. job growth helped support the greenback.

The kiwi was trading at 68.91 US cents at 8:00am in Wellington from 69.09 cents here last week and 68.96 cents in New York late Friday. The trade-weighted index was largely unchanged at 74.28 from 74.29 in New York.

A U.S. Labor Department report overnight Friday showed nonfarm payrolls jumped by 304,000 jobs last month, the largest gain since February 2018 and beating economists' expectations for an increase of 165,000. The jobs data, coupled with stronger-than-expected ISM manufacturing activity numbers for January, helped allay fears of an economic slowdown in the US.

"Solid January non-farm payrolls and a jump in Institute of Supply Management manufacturing new orders indicated strong momentum in US growth," said ANZ Bank FX/rates strategist Sandeep Parekh,

Risk appetite, however, was dented by a weaker-than-expected quarterly sales forecast from Amazon.com, which saw the stock fall 5.4 percent.

Parekh noted opinions are divided on whether the US Federal Reserve was right to "steer in a dovish direction last week." The kiwi jumped to a six-week high last week after the US Federal Reserve said it will be patient when it comes to any future interest rates, comments which weighed sharply on the greenback.

Parekh said the US dataflow remains "pretty good on the whole," which would imply the Fed's main concerns are driven by slowing overseas growth, expectations of a moderation in US growth and the potential for a resurgence in financial market volatility.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,770.08	16.24	▲	0.17%
S&P/NZX 50 Index	8,999.17	13.83	▲	0.15%
S&P/NZX MidCap Index	26,340.59	3.18	▲	0.01%
S&P/NZX SmallCap Index	57,660.72	52.63	▲	0.09%
S&P/NZAX All Index	543.01	3.55	▲	0.66%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,935.30	2.00	▼	0.03%
S&P/ASX 200	5,862.80	1.90	▼	0.03%
ASX Small Ordinaries	2,588.10	6.80	▼	0.26%
S&P/ASX MIDCAP 50	6,398.30	5.70	▲	0.09%
S&P/ASX 20	3,264.10	1.30	▼	0.04%
Foreign Markets Index				
	Last	Change		
S&P 500	2,706.53	2.43	▲	0.09%
Dow Jones	25,063.89	64.19	▲	0.26%
NASDAQ Composite	7,263.87	17.87	▼	0.25%
DAX	11,180.66	7.56	▲	0.07%
ASX All Ordinaries	5,935.30	2.00	▼	0.03%
NIKKEI 225	20,788.39	14.89	▲	0.07%
HANG SENG INDEX	27,930.74	11.76	▼	0.04%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9513	0.0002	▲	0.02%
USD	0.6895	0.0003	▼	0.04%
CNY	4.6530	0.0000		0.00%
EUR	0.6017	0.0005	▼	0.08%
CAD	0.9028	0.0001	▼	0.01%
GBP	0.5274	0.0006	▲	0.11%
JPY	75.4950	0.0350	▼	0.05%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.09			
10-year Swap	2.51			
Commodities Futures				
	Last	Change		
Gold	1,322.00	3.20	▼	0.24%
Silver	15.91	0.16	▼	1.01%
Crude Oil	55.37	1.58	▲	2.94%

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