



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 rises on weak US services data; eyes on non-farm payrolls

The New Zealand dollar firmed on further signs of weakness in the US economy.

The greenback took a tumble when the Institute for Supply Management said its non-manufacturing activity index fell to a reading of 52.6 in September, the lowest since August 2016. Economists surveyed by Dow Jones had expected a reading of 55.3.

Today, investors will be focused on Australian retail sales data as well as the Reserve Bank of Australia's financial stability report.

Key for markets, however, is the US non-farm payrolls data due overnight. Economists are expecting the US economy added 148,000 jobs but the weakness in manufacturing, services and private-sector jobs growth reported this week could point to a softer read.

NZ shares fall on growth fears, trade war expansion

New Zealand shares continued to decline in the wake of data suggesting the US economy is slowing and after the US threatened to open another front in its trade war, this time with Europe.

The benchmark S&P/NZX 50 Index fell 130.43 points, or 1.2 percent, to 10,821.21. Within the index, 38 stocks fell, eight rose and four were unchanged. Turnover was \$107.8 million.

The broad measure of US stocks, the S&P 500 Index, shed nearly 1.8 percent overnight and most markets in Asia are down today.

The World Trade Organisation has ruled the US can impose tariffs on the European Union because of illegal subsidies the EU gave to Airbus to help it compete against American rival Boeing.

President Donald Trump is now planning to impose tariffs on US\$7.5 billion of European imports ranging from cheese to large aircraft from Oct. 18.

Skellerup was the worst performer within the top 50 index, falling 11 cents, or 4.9 percent, to \$2.16. Price says much of the decline was because it shed its 7.5 cents per share dividend today.

Other poor performers included Gentrack, down 20 cents, or 4 percent, to \$4.80, and Vista Group, down 15 cents, or 4 percent, to \$3.60. Both had been high-flyers but have recently disappointed and downgraded earnings.

Fletcher Building was another of the day's poor performers, sinking 18 cents, or 3.6 percent, to \$4.84, as was Fisher & Paykel Healthcare, which shed 51 cents, or 2.9 percent, to \$16.94.

The most-traded stock today was Auckland International Airport, which fell 22.5 cents to \$9.10 with almost 2.35 million shares traded. Its heavy exposure to tourism means its performance is likely to suffer from slowing world growth.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,684.61	148.38	▼	1.25%
S&P/NZX 50 Index	10,821.21	142.34	▼	1.30%
S&P/NZX MidCap Index	31,052.32	226.17	▼	0.72%
S&P/NZX SmallCap Index	61,233.65	411.42	▼	0.67%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,611.70	141.60	▼	2.10%
S&P/ASX 200	6,493.00	146.90	▼	2.21%
ASX Small Ordinaries	2,833.40	41.70	▼	1.45%
S&P/ASX MIDCAP 50	6,912.90	110.10	▼	1.57%
S&P/ASX 20	3,580.40	97.60	▼	2.65%

Foreign Markets Index				
	Last	Change		
S&P 500	2,910.63	23.02	▲	0.80%
Dow Jones	26,201.04	122.42	▲	0.47%
NASDAQ Composite	7,872.27	87.02	▲	1.12%
DAX	11,925.25	338.58	▼	2.76%
ASX All Ordinaries	6,611.70	141.60	▼	2.10%
NIKKEI 225	21,341.74	436.87	▼	2.01%
HANG SENG INDEX	26,110.31	67.62	▲	0.26%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9347	-0.0002	▼	0.02%
USD	0.63	0.0031	▲	0.49%
CNY	4.5070	0.0380	▲	0.84%
EUR	0.57	0.0023	▲	0.40%
CAD	0.8404	0.0048	▲	0.57%
GBP	0.51	0.0008	▲	0.16%
JPY	67.3460	0.1455	▲	0.22%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.07	
5y Swap	0.85	
10y Swap	1.14	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,511.40	3.50	▲	0.23%
Silver	17.63	0.05	▼	0.30%
Crude Oil	52.30	0.34	▼	0.65%

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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