

MORNING REPORT

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Top News

NZ residential property values lift 7.3% in year to March

New Zealand residential property values continued to rise in the year to March, but while there was a seasonal pickup in activity, sales volumes were lower than usual as the market continues to show signs of easing.

The average value of a New Zealand home rose 7.3 percent to \$677,618 in the year to March, data from state-owned valuer Quotable Value showed.

Record migration and low-interest rates have been bolstering the country's housing market, prompting Reserve Bank restrictions on more highly-leveraged mortgage lending in a bid to quell a possible bubble. That, coupled with new government policies to restrict the sale of homes and property to foreign investors, has dampened enthusiasm.

Wall St, Boeing slide on fresh trade worries

Wall Street slid amid concern about the latest moves towards a potential trade war between the US and China.

China announced additional tariffs on about US\$50 billion of US imports including aircraft, cars and soybeans, following US administration plans, announced on Tuesday, to levy duties on about the same amount of Chinese imported goods. US Federal Reserve officials said the trade dispute adds to uncertainty, including about the interest rate outlook.

The Dow moved lower as declines in shares of Boeing and those of Caterpillar, down 2.7 percent and 1.9 percent respectively, outweighed advances in shares of Nike and those of Coca-Cola, recently up 1.6 percent and 1.3 percent respectively.

NZ shares up on A2 Milk bounce-back, Air NZ and Synlait gain

New Zealand shares surged on A2 Milk Co's recovery from last week's selling, while Air New Zealand gained on news it will ditch an alliance with Virgin Australia.

Wall Street rebounded overnight following Monday's selloff as investors found value in beaten-down stocks.

Synlait was the best performer, up 4.6 percent to \$8.95, while A2 Milk rose 3.6 percent to \$12.92.

A2's share price has been under pressure on news that competitors have begun selling their own A2-branded infant formulas in China. The stock dropped 6.5 percent last Wednesday when Nestle confirmed it is had launched an A2 product under its Illuma brand, with the product called Atwo and sold in China, and fell a further 4.2 percent on Thursday. Yesterday, the company said it hasn't seen any change in growth in China and it's confident in its business, and the shares closed up 0.6 percent.

Air New Zealand gained 3.9 percent to \$3.325. The airline will end its strategic alliance with Virgin Australia Holdings in October when regulatory approval for their shared services ends.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,143.338	73.598	▲ 0.81%
S&P/NZX 50 Index	8,398.084	68.154	▲ 0.82%
S&P/NZX MidCap Index	24,196.006	181.486	▲ 0.76%
S&P/NZX SmallCap Index	58,497.698	107.658	▲ 0.18%
S&P/NZAX All Index	513.483	12.437	▼ 2.36%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,863.70	4.60	▲ 0.08%
S&P/ASX 200	5,761.40	9.50	▲ 0.17%
ASX Small Ordinaries	2,643.80	9.00	▼ 0.34%
S&P/ASX MIDCAP 50	6,557.60	5.30	▲ 0.08%
S&P/ASX 20	3,187.10	9.00	▲ 0.28%
Foreign Markets Index			
	Last	Change	
S&P 500	2,644.69	30.24	▲ 1.16%
Dow Jones	24,264.30	230.94	▲ 0.96%
NASDAQ Composite	7,042.11	100.83	▲ 1.45%
FTSE	7,034.01	3.55	▲ 0.05%
ASX All Ordinaries	5,863.70	4.60	▲ 0.08%
NIKKEI 225	21,319.55	27.26	▲ 0.13%
HANG SENG INDEX	29,518.69	661.41	▼ 2.19%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9472	0.0025	▲ 0.26%
USD	0.7305	0.0044	▲ 0.61%
CNY	4.6070	0.0410	▲ 0.90%
EUR	0.5948	0.0032	▲ 0.54%
CAD	0.9324	0.0032	▲ 0.34%
GBP	0.5188	0.0025	▲ 0.48%
JPY	78.0175	0.6850	▲ 0.89%
NZ Interest Rates			
	Last	Change	
NZ OCR	1.75		
3-month Bank Bill	1.94		
5-year Swap	2.66		
10-year Swap	3.10		
Commodities Futures			
	Last	Change	
Gold	1,337.20	0.10	▼ 0.01%
Silver	16.30	0.10	▼ 0.59%
Crude Oil	63.55	0.04	▲ 0.06%

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