



MORNING REPORT

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Top News

NZD gains against pound on Brexit jitters, falls against USD

The kiwi lifted against the UK pound on concerns that the Brexit situation could drag out even further but fell against the greenback ahead of key US jobs data today.

The prospect of a protracted Brexit weighed on the pound as the upper house of Britain's parliament moves to debate legislation to force Prime Minister Theresa May to seek a delay to prevent a potentially disorderly departure from the European Union on April 12, Reuters said.

May continues to try to forge a cross-party consensus to break the Brexit deadlock, but Labour leader Jeremy Corbyn has said she had not moved far enough in a first round of crisis talks.

Investors will also be watching for any further developments on the US-China trade front, with a meeting scheduled between President Donald Trump and China's top trade negotiator, Vice President Liu He, this morning New Zealand time.

NZ shares fall for a second day as defensive stocks end stellar run

New Zealand shares fell for a second day as investors pared back their exposure to the equity market after the threat of lower interest rates spurred on demand for companies paying reliable dividends. Defensive stocks including Contact Energy, Mercury NZ and Infratil fell.

The benchmark index rose 12 percent in the March quarter and hit a record on Monday, as investors piled into utilities and infrastructure companies paying reliable dividends to replace dwindling yields on bonds and term deposits. That demand pushed the likes of electricity generator-retailers Mercury, Meridian Energy and Genesis Energy, and infrastructure investor Infratil to all-time highs.

Contact led the market lower, down 2.7 percent at \$6.80 on a volume of 1.7 million shares, in line with its 90-day average of 1.6 million. Lines company Vector fell 2 percent to \$3.48, Mercury declined 1.5 percent to \$3.87, Infratil declined 1.5 percent to \$4.335 and Genesis slipped 1.5 percent to \$3.03. Meridian rose 0.4 percent to \$4.08 on a volume of 1.5 million shares.

Morningstar Research said in a note that Moutter's exit has no impact on its fair value estimate of \$3.80 a share, but noted that the market hates surprises and the stock is trading at a discount.

Trade Me rose 0.2 percent to \$6.44 on a volume of 4.1 million shares, more than twice its 90-day average. Shareholders yesterday agreed to a \$6.45 per share takeover offer. Restaurant Brands New Zealand posted the biggest gain on the day, up 2.6 percent at \$8.35. About 354,000 shares changed hands, more than twice the three-month average.

Of other companies trading on volumes of more than a million shares, Air New Zealand was unchanged at \$2.675 as was Sky Network Television at \$1.28. Goodman Property Trust increased 0.3 percent to \$1.75 and Kiwi Property Group slipped 0.3 percent to \$1.50.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,705.59	48.00	▼	0.45%
S&P/NZX 50 Index	9,892.60	46.66	▼	0.47%
S&P/NZX MidCap Index	28,477.21	51.81	▼	0.18%
S&P/NZX SmallCap Index	58,508.20	27.09	▼	0.05%
S&P/NZAX All Index	601.45	0.00	▲	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,320.40	48.30	▼	0.76%
S&P/ASX 200	6,232.80	52.20	▼	0.83%
ASX Small Ordinaries	2,778.30	10.10	▼	0.36%
S&P/ASX MIDCAP 50	6,721.40	29.30	▼	0.43%
S&P/ASX 20	3,480.40	31.20	▼	0.89%
Foreign Markets Index				
	Last	Change		
S&P 500	2,879.43	6.03	▲	0.21%
Dow Jones	26,384.16	166.03	▲	0.63%
NASDAQ Composite	7,891.78	3.77	▼	0.05%
DAX	11,988.01	33.61	▲	0.28%
ASX All Ordinaries	6,320.40	48.30	▼	0.76%
NIKKEI 225	21,724.95	11.74	▲	0.05%
HANG SENG INDEX	29,936.32	50.07	▼	0.17%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9489	0.0042	▼	0.44%
USD	0.6755	0.0024	▼	0.35%
CNY	4.5370	0.0120	▼	0.26%
EUR	0.6018	0.0015	▼	0.25%
CAD	0.9021	0.0025	▼	0.28%
GBP	0.5163	0.0013	▲	0.25%
JPY	75.3735	0.1890	▼	0.25%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.82			
5-year Swap	1.82			
10-year Swap	2.26			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,297.80	2.50	▲	0.19%
Silver	15.14	0.03	▲	0.22%
Crude Oil	62.14	0.32	▼	0.51%

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