



MORNING REPORT

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Top News

NZ dollar weighed by ongoing US-China trade jitters

The New Zealand dollar remains under pressure as trade jitters continue to weigh on global risk appetite.

Trade war concerns were rekindled after US President Donald Trump announced plans to impose additional tariffs on \$300 billion of Chinese imports on Sept 1. Chinese state media has expressed pessimism about whether trade talks with the United States should continue after Trump's last move, according to the South China Morning Post. Meanwhile, markets are waiting for an official reaction.

Looking ahead, key events this week will be the Reserve Bank of Australia rate review Tuesday, followed by the Reserve Bank of New Zealand's review on Wednesday.

The New Zealand dollar was at 96.07 Australian cents from 96.11, unchanged at 53.79 British pence, at 58.77 euro cents from 58.87, at 69.57 yen from 69.70 and at 4.5296 Chinese yuan from 4.5379.

NZ stocks edge higher, led by Contact; Asian markets slide

New Zealand shares edged higher despite a slide in Asian markets on renewed concerns for the global trade outlook. Contact Energy led the gainers as local investors prepare for coming earnings.

Asian markets were generally weaker after China-US trade talks ended inconclusively and President Donald Trump tweeted that a 10 percent tariff would be imposed on another US\$300 billion of Chinese goods from Sept. 1.

Australia's S&P/ASX 200 index was down 0.3 percent in early afternoon trading. The Hang Seng index was down 2.3 percent and the Straits Times index was down 0.8 percent.

Electricity and property stocks have gained strongly in recent months as declining interest rates boosted demand for defensive sectors with strong dividends.

Tourism Holdings gained 1.7 percent at \$4.09, with 66,000 shares traded – about a third of the daily average. Skellerup Holdings also gained 1.7 percent at \$2.38. The 39,500 shares traded were only about a quarter of the usual volume. Spark New Zealand was the most heavily traded stock of the day, rising 1.5 percent to \$4.03. About 3.3 million shares were traded, just ahead of its three-month daily average.

Investors continue to digest news that Vodafone New Zealand, now owned by Infratil and Brookfield Asset Management, will be ahead of the pack as it plans to switch on a 5G network in major cities in December.

The latest ANZ-Roy Morgan survey of consumer confidence today fell 6 points in July to 116.4, the lowest reading so far this year. While a net 39 percent of those surveyed think it's a good time to buy a major household item, a net 1 percent expect the economy to be in worse shape in a year's time. A net 12 percent had been expecting conditions to improve in the previous survey.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,728.46	6.59	▲	0.06%
S&P/NZX 50 Index	10,863.87	3.05	▲	0.03%
S&P/NZX MidCap Index	30,618.11	41.44	▼	0.14%
S&P/NZX SmallCap Index	60,755.91	214.40	▲	0.35%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,846.10	25.80	▼	0.38%
S&P/ASX 200	6,768.60	20.30	▼	0.30%
ASX Small Ordinaries	2,936.50	4.40	▼	0.15%
S&P/ASX MIDCAP 50	7,142.50	51.20	▼	0.71%
S&P/ASX 20	3,769.40	19.50	▼	0.51%

Foreign Markets Index				
	Last	Change		
S&P 500	2,932.05	21.51	▼	0.73%
Dow Jones Industrial Average	26,485.01	98.39	▼	0.37%
NASDAQ Composite	8,004.07	107.05	▼	1.32%
DAX PERFORMANCE-INDEX	11,872.44	380.76	▼	3.11%
ASX All Ordinaries	6,846.10	25.80	▼	0.38%
NIKKEI 225	21,087.16	453.84	▼	2.11%
HANG SENG INDEX	26,918.58	647.12	▼	2.35%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9609	0.0002	▲	0.02%
USD	0.65	0.0000	▲	0.00%
CNY	4.5360	0.0000	▲	0.00%
EUR	0.59	0.0000	▲	0.00%
CAD	0.8628	0.0000	▲	0.00%
GBP	0.54	0.0000	▲	0.00%
JPY	69.5790	0.0040	▲	0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.45	
5y Swap	1.22	
10y Swap	1.54	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,441.50	20.60	▲	1.45%
Silver	16.23	0.05	▲	0.28%
Crude Oil	55.19	1.24	▲	2.30%

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