

MORNING REPORT

As at 9.00 AM 5/07/2019

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 dollar falls below 67 US cents as markets await US jobs data

The New Zealand dollar fell back below 67 US cents in holiday-affected trading ahead of US jobs data later in the global trading day.

US markets were closed for the July 4 Independence Day holiday and markets were "subdued," ANZ Bank FX/rates strategist Sandeep Parekh said.

Markets are expecting the US economy to have delivered 160,000 new jobs in June, following a 75,000 gain in May. The unemployment rate is expected to remain steady at 3.6 percent, which is a 50-year low. According to the CME Group's FedWatch Tool, there is around a 70 percent chance that the Fed cuts rates by 25 basis points and a 29.7 percent chance of a 50-point cut.

The kiwi was trading at 95.13 Australian cents from 95.27 and at 53.14 British pence from 53.27. It was at 59.23 euro cents from 59.41, at 72.06 yen from 72.28, and at 4.5927 Chinese yuan from 4.6075

NZ shares rise as threat of US rate cut keeps yield in demand; Fonterra sinks

New Zealand shares rose as the prospect of the Federal Reserve cutting interest rates underpinned demand for companies offering reliable income such as utilities, infrastructure firms and property investors. Fonterra shares and fund units dropped. Stocks offering better returns from dividends than those available from bank deposits and bonds continued to attract support after US economic data overnight raised expectations for the Fed to cut interest rates.

Mercury NZ rose 1 percent to \$4.505, Genesis Energy increased 0.9 percent to \$3.43, Z Energy was up 1 percent at \$6.31, and Vector advanced 0.8 percent to \$3.82. Argosy Property rose 0.7 percent to \$1.42, Meridian Energy increased 0.6 percent to \$4.70 and Chorus was up 0.6 percent at \$5.675.

Retirement village operators led the market higher, with Ryman Healthcare up 2.9 percent at \$12.27 on 447,000 shares, in line with its 90-day average of 451,000 shares. Metlifecare increased 1.6 percent to \$4.44, Arvida Group rose 1.5 percent to \$1.38 and Summerset Group was up 1.3 percent at \$5.69.

Pushpay was the most traded stock once a halt was lifted, with 16.7 million shares changing hands, compared to its 523,000 average. Former chief executive Chris Heaslip sold 12.2 million shares in an underwritten bookbuild yesterday at a clearing price of \$3.70. The stock was halted for the bookbuild, and ended today at \$3.69, down 2.6 percent.

New Zealand's dominant dairy company didn't fare so well, Fonterra Cooperative Group's farmer-owned shares dropped 6.4 percent to \$3.51 on a volume of 529,000, compared to its 163,000 average. Fonterra Shareholders' Fund units posted the biggest decline on the NZX50, down 5.3 percent at \$3.55 on a volume of 416,000, more than twice its 197,000 average.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,403.89	13.89	▲ 0.12%
S&P/NZX 50 Index	10,558.28	13.85	▲ 0.13%
S&P/NZX MidCap Index	30,175.82	68.31	▲ 0.23%
S&P/NZX SmallCap Index	60,308.81	82.51	▲ 0.14%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,800.90	30.80	▲ 0.45%
S&P/ASX 200	6,718.00	32.50	▲ 0.49%
ASX Small Ordinaries	2,883.60	10.30	▲ 0.36%
S&P/ASX MIDCAP 50	7,093.40	18.90	▲ 0.27%
S&P/ASX 20	3,763.30	19.60	▲ 0.52%

Foreign Markets Index			
	Last	Change	
S&P 500	2,995.82	22.81	▲ 0.77%
Dow Jones Industrial Average	26,966.00	179.32	▲ 0.67%
NASDAQ Composite	8,170.23	61.14	▲ 0.75%
DAX PERFORMANCE-INDEX	12,629.90	13.66	▲ 0.11%
ASX All Ordinaries	6,800.90	30.80	▲ 0.45%
NIKKEI 225	21,702.45	64.29	▲ 0.30%
HANG SENG INDEX	28,795.77	59.37	▼ 0.21%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9523	0.0001	▲ 0.01%
USD	0.67	0.0000	▲ 0.00%
CNY	4.5930	0.0000	▲ 0.00%
EUR	0.59	-0.0001	▼ 0.02%
CAD	0.8727	0.0001	▲ 0.01%
GBP	0.53	-0.0001	▼ 0.02%
JPY	72.1080	0.0220	▲ 0.03%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.63	
5y Swap	1.39	
10y Swap	1.73	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,420.90	12.90	▲ 0.92%
Silver	15.34	0.10	▲ 0.64%
Crude Oil	57.34	1.09	▲ 1.94%

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.

www.equity.co.nz [E-mail: Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.
Tel: +64 (9)304 0145 / NZ: 0800 474 669