

MORNING REPORT

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Top News

NZ shares rise on improved US-China trade outlook

New Zealand shares joined a rally across Asia as easing trade tensions between the US and China helped buoy investor sentiment. Exporter Fisher & Paykel Healthcare was among firms that gained.

The S&P/NZX 50 Index increased 39.86 points, or 0.4 percent, to 10,801.55. Within the index, 23 stocks rose, 15 fell and 12 were unchanged. Turnover was \$79.2 million.

Stocks across Asia were higher, following the upbeat tone from Wall Street on Friday, as investors remained optimistic that a trade deal between US and China can be reached. US Commerce Secretary Wilbur Ross said over the weekend that licences for American firms to sell to Chinese telecommunications equipment make Huawei Technologies would be approved very soon.

Hong Kong's Hang Seng was up 1.3 percent in afternoon trading, Australia's S&P/ASX 200 Index rose 0.2 percent, and South Korea's Kospi Composite Index advanced 1.1 percent.

Peter McIntyre, an investment advisor at Craigs Investment Partners, said the easing trade tensions and stronger than expected US jobs data helped push Wall Street higher on Friday, and that had continued across Asia.

"Those trade tensions lessening is a positive for Fisher & Paykel Healthcare," he said.

Fisher & Paykel Healthcare, which derives half its revenue in the US, was among the day's leaders, up 2.1 percent at \$19.54. Vista Group International rose 1.9 percent to \$3.85 with 1.6 million shares traded. Scales Corp was up 1.7 percent at \$5.30.

NZ dollar struggling to gain traction as greenback gets lift

The New Zealand dollar was weaker after the greenback got a lift from improving global risk sentiment and ahead of the monetary policy decision in Australia.

The kiwi was trading at 64.01 US cents at 8am in Wellington versus 64.56 cents at 5pm yesterday. It was at 92.92 Australian cents from 93.28 Australian cents.

The US dollar benefited as markets were cheered by positive trade headlines. Among other things, investors were buoyed after US Commerce Secretary Wilbur Ross said licenses for United States companies to sell components to Chinese telecom giant Huawei are coming "very shortly."

"A broadly firmer USD limited the upside for the kiwi," said ANZ FX/rates strategist Sandeep Parekh. According to Parekh the local currency couldn't break through resistance levels. He tips support at 63.80 US cents and resistance at 64.80 cents. He noted, however, the main event on the day will be the Australian rate decision.

The RBA is widely expected to keep rates on hold at 0.75 percent today, with markets pricing a 4 percent chance of a rate cut. In New Zealand, meanwhile, most economists are still expecting the RBNZ to cut rates to 0.75 percent next week, although market pricing is now at 50 percent.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,687.92	43.36	▲ 0.37%
S&P/NZX 50 Index	10,801.55	39.86	▲ 0.37%
S&P/NZX MidCap Index	31,063.34	30.52	▲ 0.10%
S&P/NZX SmallCap Index	63,654.69	123.84	▲ 0.19%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,799.80	20.70	▲ 0.31%
S&P/ASX 200	6,686.90	17.80	▲ 0.27%
ASX Small Ordinaries	2,919.70	33.20	▲ 1.15%
S&P/ASX MIDCAP 50	7,078.80	36.80	▲ 0.52%
S&P/ASX 20	3,678.70	1.50	▲ 0.04%

Foreign Markets Index			
	Last	Change	
S&P 500	3,079.27	12.36	▲ 0.40%
Dow Jones	27,448.71	101.35	▲ 0.37%
NASDAQ Composite	8,439.55	53.16	▲ 0.63%
DAX	13,136.28	175.23	▲ 1.35%
ASX All Ordinaries	6,799.80	20.70	▲ 0.31%
NIKKEI 225	22,850.77	76.23	▼ 0.33%
HANG SENG INDEX	27,547.30	446.54	▲ 1.65%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9297	-0.0011	▼ 0.12%
USD	0.64	-0.0038	▼ 0.59%
CNY	4.4980	-0.0260	▼ 0.58%
EUR	0.57	-0.0013	▼ 0.23%
CAD	0.8415	-0.0036	▼ 0.43%
GBP	0.50	-0.0009	▼ 0.18%
JPY	69.4950	-0.1600	▼ 0.23%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.13	
5y Swap	1.15	
10y Swap	1.46	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,510.00	1.40	▼ 0.09%
Silver	18.02	0.03	▼ 0.18%
Crude Oil	56.52	0.32	▲ 0.57%

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