



# MORNING REPORT

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## Top News

### NZ dollar eases on strong US jobs growth; focus on RBNZ

The New Zealand dollar eased against the greenback after strong US jobs and wages growth reinforced expectations the Federal Reserve will raise rates in December.

US employers added 250,000 jobs to their payrolls in October and unemployment held at a 49-year low of 3.7 percent. Also, wages increased 3.1 percent from a year earlier, the biggest year-over-year gain for average hourly earnings since 2009.

Markets, however, are still jittery about US-China trade tensions. OMF private client manager Stuart Ive noted that White House economic adviser Larry Kudlow had told CNBC that the president had not asked US officials to draw up a proposed trade plan for China despite that being reported by Bloomberg.

Kudlow added that he was not as optimistic as he once was about the two nations reaching a deal and additional tariffs on Chinese imports would be ready, depending how talks go. The US president, however, is still predicting the two sides can reach 'a good deal.'

Looking ahead, the main domestic event for the kiwi this week is the central bank's monetary policy statement Thursday. While the RBNZ is expected to keep rates on hold at a record low 1.75 percent the focus will be on whether or not the bank is more upbeat about the domestic economy and whether it no longer signals a rate cut may be possible.

### NZ stocks mixed; Z Energy extends decline

New Zealand shares were mixed as the prospect of a slowing domestic economy came head-to-head with improved global sentiment.

Asian markets were generally up in early trading, after reports from the US and China indicated President Donald Trump and President Xi Jinping may talk trade during the G-20 meeting in Argentina late November. The S&P/ASX 200 was down 0.3 percent, aided by weaker than expected September retail spending.

Locally the ANZ Roy Morgan survey showed consumer confidence index slid further in October. While there was a slight improvement in people's optimism about their own situation, the future conditions index fell to its lowest since late 2015.

But he said the local market had held up relatively well during the global equity sell-off in October. Activity this week has tended to be company-specific, depending on the news flow from the latest results and annual meetings. How individual stocks had fared during October was another factor.

Z Energy was the heaviest traded stock among the majors with 3.6 million shares changing hands –five-times the daily average the past three months. Fonterra Shareholders' Fund rose 0.6 percent to \$4.88. Changes to the country's milk regulation may amend arrangements that require the company to ensure guaranteed milk supplies for large rival processors wanting to operate here.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,640.62	4.41	▼ 0.05%
S&P/NZX 50 Index	8,835.60	8.23	▼ 0.09%
S&P/NZX MidCap Index	25,588.26	71.07	▲ 0.28%
S&P/NZX SmallCap Index	63,138.29	315.01	▲ 0.50%
S&P/NZAX All Index	522.19	2.07	▼ 0.39%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,935.80	9.90	▲ 0.17%
S&P/ASX 200	5,849.20	8.40	▲ 0.14%
ASX Small Ordinaries	2,627.90	13.90	▲ 0.53%
S&P/ASX MIDCAP 50	6,560.20	12.50	▼ 0.19%
S&P/ASX 20	3,252.90	4.80	▲ 0.15%

Foreign Markets Index			
	Last	Change	
S&P 500	2,723.06	17.31	▼ 0.63%
Dow Jones	25,270.83	109.91	▼ 0.43%
NASDAQ Composite	7,356.99	77.06	▼ 1.04%
DAX	11,518.99	50.45	▲ 0.44%
ASX All Ordinaries	5,935.80	9.90	▲ 0.17%
NIKKEI 225	22,243.66	556.01	▲ 2.56%
HANG SENG INDEX	26,486.35	1,070.35	▲ 4.21%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9239	0.0012	▼ 0.13%
USD	0.6643	0.0018	▼ 0.27%
CNY	4.5890	0.0000	0.00%
EUR	0.5825	0.0024	▼ 0.41%
CAD	0.8696	0.0035	▼ 0.40%
GBP	0.5093	0.0041	▼ 0.80%
JPY	75.1550	0.2500	▼ 0.33%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.38	
10-year Swap	2.87	

Commodities Futures			
	Last	Change	
Gold	1,234.60	4.00	▼ 0.32%
Silver	14.74	0.03	▼ 0.22%
Crude Oil	62.86	0.83	▼ 1.30%

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