

MORNING REPORT

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Top News

NZX50 cracks another milestone; Vista, Pushpay recover

The S&P/NZX 50 Index cracked another milestone, climbing above 11,000 for the first time, as export-based software firms Vista Group International and Pushpay Holdings got a boost from a weaker currency.

The benchmark index rose 54.21 points, or 0.5 percent, to 11,008.13. Within the index, 31 stocks increased, 13 fell, and six were unchanged. Turnover was \$140.3 million.

New Zealand's stock market outperformed most other markets after weaker than expected US manufacturing data stoked fears of a recession in the world's biggest economy. The NZX50's relatively high average dividend yield remains a strong drawcard for investors struggling to find reliable income in fixed interest assets. At the same time, a kiwi dollar trading near a four-year low is boosting the outlook for exporters.

"There's no shortage of negative sentiment but the NZX50 is up, bucking the trend," said Mark Lister, head of private wealth research at Craigs Investment Partners.

Software companies Pushpay and Vista led the market higher, both bouncing back from recent sell-offs. Vista rose 6.8 percent to \$4.06 on a volume of 2 million shares, well up on its 90-day average of 439,000. Pushpay advanced 5.5 percent to \$3.26 with 728,000 shares changing hands, more than its 674,000 average.

NZ dollar firms on improved Brexit, Hong Kong outlook

The New Zealand dollar was trading higher as a no-deal Brexit looks less likely and as markets were cheered by better news out of Hong Kong.

The kiwi was at 63.59 US cents at 8am in Wellington from 63.34 cents at 5pm. The trade-weighted index was at 70.92 points from 70.82.

"A reduction in global political tensions saw a risk-on tone filter back into markets," said ANZ Bank FX/Rates strategist Sandeep Parekh.

Concerns that Britain might crash out of the UK on Oct. 31 eased when opposition lawmakers backed a bill that will oblige Prime Minister Boris Johnson to request an extension beyond Oct. 31 if a deal hasn't been reached by then. The bill now passes to the upper house of parliament.

The kiwi was trading at 52.03 British pence from 52.33 pence after the news but further volatility is expected as Johnson has put forward a proposal for an election on Oct. 15. That proposal, however, also requires a vote. According to Reuters, the leader of the opposition Labour Party, Jeremy Corbyn, wants an election but won't vote for one until the bill gains royal assent - a step that could happen on Monday.

Global sentiment also got a lift when in Hong Kong, chief executive Carrie Lam said she would formally withdraw the extradition bill that has sparked months-long demonstrations.

The kiwi also benefited from news Wednesday that activity in China's services sector expanded at the fastest pace in three months in August as new orders rose, according to a report by Market Economics.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,874.86	56.59	▲	0.48%
S&P/NZX 50 Index	11,008.13	52.52	▲	0.48%
S&P/NZX MidCap Index	30,951.63	226.51	▲	0.74%
S&P/NZX SmallCap Index	60,028.37	51.68	▲	0.09%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,656.10	17.40	▼	0.26%
S&P/ASX 200	6,553.00	20.40	▼	0.31%
ASX Small Ordinaries	2,838.70	6.90	▼	0.24%
S&P/ASX MIDCAP 50	7,004.00	10.30	▼	0.15%
S&P/ASX 20	3,619.70	14.10	▼	0.39%

Foreign Markets Index				
	Last	Change		
S&P 500	2,937.78	31.51	▲	1.08%
Dow Jones Industrial Average	26,355.47	237.45	▲	0.91%
NASDAQ Composite	7,976.88	102.72	▲	1.30%
DAX PERFORMANCE-INDEX	12,025.04	114.18	▲	0.96%
ASX All Ordinaries	6,656.10	17.40	▼	0.26%
NIKKEI 225	20,649.14	23.98	▲	0.12%
HANG SENG INDEX	26,523.23	995.38	▲	3.90%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9358	-0.0002	▼	0.02%
USD	0.64	-0.0001	▼	0.02%
CNY	4.5420	0.0000	▲	0.00%
EUR	0.58	-0.0001	▼	0.02%
CAD	0.8410	-0.0003	▼	0.04%
GBP	0.52	-0.0003	▼	0.06%
JPY	67.6655	-0.0255	▼	0.04%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.17	
5y Swap	0.91	
10y Swap	1.17	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,562.00	6.10	▲	0.39%
Silver	19.69	0.45	▲	2.35%
Crude Oil	56.04	2.10	▲	3.89%

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