



## MORNING REPORT

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### Top News

#### NZD continues to hover around 68 US cents, Australian 4Q GDP in focus

The New Zealand dollar continues to hover around 68 US cents, capped by strong US data overnight that gave the greenback some support.

The US ISM non-manufacturing index rose to 59.7 points compared with expectations of 57.4. New orders rose strongly to 65.2 points from 57.7 – hitting a 13-year high. Export orders also rose sharply, while the backlog of orders firmed. US December new homes sales rose 3.7 percent on the month but the November print was revised down to 9.1 percent from 16.9 percent.

The kiwi was also supported when the global dairy prices moved higher in the overnight auction, with whole milk powder prices, the key price for Fonterra suppliers, lifting 6.0 percent.

The Australian economy likely expanded 0.5 percent on quarter and 2.7 percent on the year, according to the median in a Bloomberg poll. ANZ, however, is expecting a 0.2 percent on quarter expansion.

The kiwi traded at 95.91 Australian cents from 96.07. It was at 51.62 British pence from 51.68 British pence and at 60.14 euro cents from 60.02.

#### NZ shares fall from record as global markets come off the boil; Mercury drops

New Zealand shares fell in light trading, following the end of earnings season, as local investors followed overseas leads where markets were generally weaker. Mercury NZ led the market lower.

The S&P/NZX Index declined 13.8 points, or 0.1 percent, to 9,399.69, having hit a record yesterday. Within the index, 24 stocks fell, 22 rose and four were unchanged. Turnover was \$128.2 million, although just six companies traded on volumes of more than 1 million.

Equity markets across Asia were broadly weaker, with Australia's S&P/ASX Index down 0.2 percent in late trading and South Korea's Kospi 200 Index falling 0.6 percent. China's Shanghai Composite Index bucked the trend, up 0.1 percent. Stocks on Wall Street fell overnight, with investors having factored in the outcome of a positive trade deal between the US and China.

Mercury led the local market lower, falling 3.4 percent to \$3.67, on an unusually high volume of 6.1 million shares, almost 10-times its 90-day average. Mercury hit a record \$3.80 yesterday, as investors rally around defensive stocks such as utilities that typically pay regular dividends.

Spark New Zealand, which offers a dividend yield of 6.7 percent, was the most traded stock with 7.1 million changing hands, more even than its usual 4.6 million volume. The shares fell 1.1 percent to \$3.715. Network operator Chorus was down 1.3 percent at \$5.35 on a slightly smaller volume than usual of 351,000.

NZX rose 2 percent to \$1.02 on a volume of 115,000, slightly less than usual. The stock market operator's monthly metrics for February showed more trading activity, albeit at a smaller value than the previous month.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,184.98	15.80	▼	0.15%
S&P/NZX 50 Index	9,399.69	13.80	▼	0.15%
S&P/NZX MidCap Index	26,944.48	0.44	▲	0.00%
S&P/NZX SmallCap Index	58,591.33	160.45	▼	0.27%
S&P/NZAX All Index	554.36	1.39	▲	0.25%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,281.40	21.10	▼	0.33%
S&P/ASX 200	6,199.30	18.10	▼	0.29%
ASX Small Ordinaries	2,771.70	17.50	▼	0.63%
S&P/ASX MIDCAP 50	6,687.40	46.00	▼	0.68%
S&P/ASX 20	3,464.30	7.20	▼	0.21%
Foreign Markets Index				
	Last	Change		
S&P 500	2,793.04	0.23	▲	0.01%
Dow Jones Industrial Average	25,841.90	22.25	▲	0.09%
NASDAQ Composite	7,586.89	9.32	▲	0.12%
DAX PERFORMANCE-INDEX	11,620.74	28.08	▲	0.24%
ASX All Ordinaries	6,281.40	21.10	▼	0.33%
NIKKEI 225	21,726.28	95.76	▼	0.44%
HANG SENG INDEX	28,961.60	2.01	▲	0.01%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9595	0.0030	▼	0.31%
USD	0.6800	0.0027	▼	0.40%
CNY	4.5600	0.0170	▼	0.37%
EUR	0.6014	0.0006	▼	0.10%
CAD	0.9074	0.0009	▼	0.10%
GBP	0.5162	0.0018	▼	0.35%
JPY	76.0755	0.1950	▼	0.26%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.05			
10-year Swap	2.50			
Commodities Futures				
	Last	Change		
Gold	1,287.70	0.20	▲	0.02%
Silver	15.06	0.04	▲	0.25%
Crude Oil	56.63	0.04	▲	0.07%

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