

MORNING REPORT

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Top News

NZ stocks fall as global investors grow wary; Z Energy slides further

New Zealand shares fell with local earnings insufficient to embolden investors wary about the outlook for the global economy. Z Energy again led the market lower.

The S&P/NZX 50 index fell 56.82 points, or 0.6 percent, to 8,778.78. Within the index, 22 stocks fell, 20 gained and eight were unchanged. Turnover was modest at \$84.4 million.

Asian markets were generally down in early trading, following a weaker close in the US on Friday. Stocks there gave up some of their gains amid mixed signals from the White House on the prospects of a trade deal with China and a disappointing outlook from Apple Inc.

Peter McIntyre, an investment advisor with Craigs Investment Partners, said the local market is being driven by offshore events.

While there is reasonably good local news flow this week, particularly with the Reserve Bank's monetary policy statement on Thursday, the end of the earnings season in the US has left investors more focused on political risks – particularly the midterm elections in the US Tuesday.

"There's not a lot of conviction with this market," he said. "The worry meter is pretty high at the moment."

Z Energy extended its decline for a third day after the company attempted to clarify its dividend position for the remainder of the 2019 financial year.

NZ dollar inches higher before RBA's statement, US mid-term elections

The New Zealand dollar inched higher against the US dollar as investors were reluctant to place fresh bets before the outcome of the US elections as well as central bank decisions in Australia, New Zealand and the US this week.

The kiwi traded at 66.66 US cents at 8.30am in Wellington versus 66.61 US cents at the previous day's close. The trade-weighted index was at 72.82 from 72.58.

"With the week jam-packed full of event risk, it is hardly surprising that the New Zealand dollar held in a relatively tight range overnight," ANZ Research economist Miles Workman and senior macro strategist Philip Borkin said in a note.

The Reserve Bank of Australia will offer its rate decision and statement later today.

"The RBA is expected to maintain a neutral policy tone at this afternoon's policy update," Jason Wong, Bank of New Zealand's senior markets strategist, said in a note. "Focus will be on the RBA's interpretation of a surprise sharp fall in the unemployment rate to 5 percent—whether or not it materially affects the bank's outlook for inflation and policy."

All eyes are on the US mid-term elections; results will start coming through from Wednesday afternoon New Zealand time.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,579.59	61.03	▼ 0.63%
S&P/NZX 50 Index	8,778.78	56.82	▼ 0.64%
S&P/NZX MidCap Index	25,564.65	23.61	▼ 0.09%
S&P/NZX SmallCap Index	63,156.73	18.44	▲ 0.03%
S&P/NZAX All Index	522.19	0.01	▲ 0.00%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,904.80	31.00	▼ 0.52%
S&P/ASX 200	5,818.10	31.10	▼ 0.53%
ASX Small Ordinaries	2,603.60	24.30	▼ 0.92%
S&P/ASX MIDCAP 50	6,491.90	68.30	▼ 1.04%
S&P/ASX 20	3,243.60	9.30	▼ 0.29%

Foreign Markets Index			
	Last	Change	
S&P 500	2,742.75	19.69	▲ 0.72%
Dow Jones	25,494.77	223.94	▲ 0.89%
NASDAQ Composite	7,338.41	18.58	▼ 0.25%
DAX	11,494.96	24.03	▼ 0.21%
ASX All Ordinaries	5,904.80	31.00	▼ 0.52%
NIKKEI 225	21,898.99	344.67	▼ 1.55%
HANG SENG INDEX	25,934.39	551.96	▼ 2.08%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9246	0.0016	▲ 0.17%
USD	0.6668	0.0033	▲ 0.50%
CNY	4.6170	0.0280	▲ 0.61%
EUR	0.5841	0.0021	▲ 0.36%
CAD	0.8740	0.0051	▲ 0.59%
GBP	0.5111	0.0024	▲ 0.47%
JPY	75.5095	0.4145	▲ 0.55%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.41	
10-year Swap	2.92	

Commodities Futures			
	Last	Change	
Gold	1,231.00	2.30	▼ 0.19%
Silver	14.62	0.13	▼ 0.89%
Crude Oil	62.85	0.29	▼ 0.46%

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