

MORNING REPORT

As at 9.12 AM 6/09/2019

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Top News

NZ shares march higher as low rates keep yield attractive

New Zealand shares continued their march into uncharted territory as the low interest rate outlook continues to boost the allure of firms paying reliable dividends, such as property investors and power companies.

The S&P/NZX 50 Index rose 98.54 points, or 0.9 percent, to 11,106.67. Within the index, 33 stocks rose, 10 fell, and seven were unchanged. Turnover was \$155.4 million.

The local market joined a global rally as investors were buoyed by news that US and Chinese officials will return to the negotiating table. Their trade war threatens to derail the international economy and has encouraged central banks to cut interest rates, which boosts the attraction of stocks.

Vital Healthcare Property Trust led the market higher, up 3 percent at \$2.75 on a volume of 282,000 units, compared to a 90-day average of 263,800.

Genesis Energy rose 3 percent to \$3.65, Goodman Property Trust was up 1.8 percent at \$2.215 on a volume of 1.4 million units, and Meridian Energy increased 3 percent to \$5.54 with 1.8 million shares changing hands.

Grant Williamson, a director at Hamilton Hindin Greene, said low rates continued to drive the share market higher, with a number of high-quality stocks, such as Meridian and Goodman, coming in for special attention when the Australian market opened.

"Some stocks are very hot at the moment," he said.

NZ dollar firm as trade tensions ease, US data improves

The New Zealand dollar remains firm on global optimism that the US and China might reach a trade deal and after better-than-expected US data overnight.

The kiwi was trading at 63.76 US cents at 7:55 am in Wellington from 63.71 cents at 5pm. The trade-weighted index was at 71.03 from 70.96.

Risk appetite improved yesterday when China and the US agreed to hold high-level talks in October in Washington. It got a further boost when the Institute for Supply Management said its non-manufacturing activity index increased to a reading of 56.4 in August from 53.7 in July. Economists polled by Reuters had expected a lift to 54.0.

According to ISM, survey respondents "remain concerned about tariffs and geopolitical uncertainty; however, they are mostly positive about business conditions."

The ADP National Employment Report also showed private payrolls lifting by 195,000 jobs in August after rising by 142,000 in July.

News of the trade talks "was the spark that started the risk-on fire, a fire that was subsequently fueled by some better-than-expected US data overnight," Kiwibank trader Mike Shirley said.

The ADP data suggests a solid non-farm payrolls report tonight, said ANZ Bank. The median expectation is that the US economy added 160,000 jobs

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,977.99	96.17	▲	0.81%
S&P/NZX 50 Index	11,106.67	92.30	▲	0.84%
S&P/NZX MidCap Index	31,246.51	250.73	▲	0.81%
S&P/NZX SmallCap Index	60,165.36	83.23	▲	0.14%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,720.80	64.70	▲	0.97%
S&P/ASX 200	6,613.20	60.20	▲	0.92%
ASX Small Ordinaries	2,876.70	38.00	▲	1.34%
S&P/ASX MIDCAP 50	7,075.80	71.80	▲	1.03%
S&P/ASX 20	3,650.50	30.80	▲	0.85%

Foreign Markets Index				
	Last	Change		
S&P 500	2,976.00	38.22	▲	1.30%
Dow Jones Industrial Average	26,728.15	372.68	▲	1.41%
NASDAQ Composite	8,116.83	139.95	▲	1.75%
DAX PERFORMANCE-INDEX	12,126.78	101.74	▲	0.85%
ASX All Ordinaries	6,720.80	64.70	▲	0.97%
NIKKEI 225	21,085.94	436.80	▲	2.12%
HANG SENG INDEX	26,515.53	7.70	▼	0.03%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9354	0.0000	▲	0.00%
USD	0.64	-0.0001	▼	0.02%
CNY	4.5560	0.0000	▲	0.00%
EUR	0.58	-0.0001	▼	0.02%
CAD	0.8433	0.0001	▲	0.01%
GBP	0.52	0.0001	▲	0.02%
JPY	68.1620	-0.0095	▼	0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.17	
5y Swap	0.94	
10y Swap	1.19	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,527.10	33.30	▼	2.13%
Silver	18.75	0.80	▼	4.10%
Crude Oil	56.17	0.09	▼	0.16%

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