



MORNING REPORT

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Top News

NZ dollar barely budges ahead of RBA policy review

The New Zealand dollar barely moved as investors prepare for central bank meetings on both sides of the Tasman, with little action on the trade war front overnight.

The Reserve Bank of Australia is expected to keep the target cash rate at 1.5 percent today, with gross domestic product seen growing around a 3 percent pace on the other side of the Tasman. While the RBA isn't expected to shift its policy stance any time soon, it hasn't been as dovish as New Zealand's Reserve Bank, where governor Adrian Orr has kept the door open for a rate cut. Still, Thursday's RBNZ review is also expected to stand pat for now as Orr juggles competing tensions of slowing growth and accelerating inflation.

No local data is scheduled for today, with the next local event the Global Dairy Trade auction overnight.

Trade tensions between the US and China have weighed on currency markets for several months. Those tensions remained heightened after China's latest retaliation over the weekend, however, there was no new movement during Northern Hemisphere trading.

The kiwi increased to 4.6107 Chinese yuan from 4.5998 yuan yesterday and traded at 74.97 yen from 75.02 yen. It was little changed at 58.25 euro cents from 58.31 cents yesterday and edged up to 51.99 British pence from 51.86 pence.

NZ shares rise, Comvita and Fletcher gain while Tourism Holdings, NZX fall

New Zealand shares rose in light trading, led higher by Comvita and Fletcher Building with PGG Wrightson jumping to a two-month high.

Comvita was the best performer, up 1.8 percent to \$5.70, with Fletcher Building gaining 1.6 percent to \$7.04. A2 Milk Co rose 1.3 percent to \$10.56, which Solly said was due to a positive research note on the stock released this morning.

Air New Zealand rose 1.2 percent to \$3.34 and Chorus gained 1.2 percent to \$4.33.

Tourism Holdings was the worst performer, down 1.3 percent to \$6.03.

NZX dropped 0.9 percent to \$1.08. The stock market operator said trading activity was busier in July from a year earlier, although with smaller values changing hands. Total trades jumped 70 percent to 258,063 in July, with average daily trades at 11,730, though total value traded was down 24 percent to \$2.62 billion, or a daily average of \$119 million.

Outside the benchmark index, PGG Wrightson rose 7.8 percent to 69 cents, the highest it has closed since June 13th. The country's largest rural services business said it had agreed to sell its seed and grain business to Danish cooperative DLF Seeds for \$421 million in cash and \$18 of debt repayment, and signalled it may return up to \$292 million to its shareholders.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,702.91	42.56	▲	0.44%
S&P/NZX 50 Index	8,903.13	38.61	▲	0.44%
S&P/NZX MidCap Index	25,462.63	56.13	▲	0.22%
S&P/NZX SmallCap Index	64,121.10	396.66	▲	0.62%
S&P/NZAX All Index	524.43	3.78	▼	0.72%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,359.00	32.60	▲	0.52%
S&P/ASX 200	6,273.00	38.20	▲	0.61%
ASX Small Ordinaries	2,839.30	0.80	▼	0.03%
S&P/ASX MIDCAP 50	7,016.70	11.70	▼	0.17%
S&P/ASX 20	3,458.00	31.40	▲	0.92%
Foreign Markets Index				
	Last	Change		
S&P 500	2,850.40	10.05	▲	0.35%
Dow Jones Industrial Average	25,502.18	39.60	▲	0.16%
NASDAQ Composite	7,859.68	47.66	▲	0.61%
DAX PERFORMANCE-INDEX	12,598.21	17.55	▼	0.14%
ASX All Ordinaries	6,359.00	32.60	▲	0.52%
NIKKEI 225	22,507.32	17.86	▼	0.08%
HANG SENG INDEX	27,819.56	143.24	▲	0.52%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9113	0.0007	▼	0.08%
USD	0.6732	0.0015	▼	0.22%
CNY	4.6170	0.0120	▲	0.26%
EUR	0.5828	0.0005	▼	0.09%
CAD	0.8754	0.0013	▼	0.15%
GBP	0.5202	0.0016	▲	0.31%
JPY	74.9985	0.0565	▼	0.08%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.52			
10-year Swap	3.02			
Commodities Futures				
	Last	Change		
Gold	1,215.50	7.70	▼	0.63%
Silver	15.30	0.16	▼	1.05%
Crude Oil	68.91	0.42	▲	0.61%

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