

MORNING REPORT

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Top News

NZ stocks tick higher as offshore moves lift sentiment

New Zealand shares ticked up, supported by overnight gains on Wall Street and positive trading in Australia. A2 Milk Co and Synlait Milk rose.

The S&P/NZX 50 index rose 37.64 points, or 0.4 percent, to 8,816.42. Within the index, 27 stocks rose, seven were unchanged and 16 fell. Turnover was \$130.9 million.

Sentiment got a lift when the Dow Jones Industrial Average rose 0.8 percent and the S&P 500 lifted 0.6 percent on gains in the broader financial sector. Australia's S&P/ASX 200 index was up 0.9 percent after the Reserve Bank of Australia kept rates on hold at a record 1.5 percent.

"It's been a positive day in reaction to offshore firmness in the markets. We are really following them and we are just clawing back our losses from October," said Grant Williamson, a director at Hamilton Hindin Greene.

A2 Milk lifted 3.5 percent to \$10.50 after falling in recent sessions. Williamson said the lift wasn't driven by any specific news but by buying interest at these levels.

There seems to be a "pretty significant turnaround" with November seeing buyers come back into the market place, he said.

Synlait rose 2.9 percent to \$8.76. Other companies to garner buying interest included Spark New Zealand, the shares of which rose 2.3 percent to \$4.07. Kathmandu Holdings added 3.2 percent at \$2.90.

Orion Health Group was up 1.8 percent to \$1.16. Yesterday, the technology company raised the likely price range for its planned buyback to \$1.20 to \$1.25 from \$1.16 to \$1.26, following the completion of the sale of its Rhapsody unit to UK private equity firm Hg for \$205 million.

NZ dollar firms ahead of labour market data, US midterm elections

The New Zealand dollar strengthened against the US dollar as investors eyed the latest domestic labour market data as well as the US congressional midterm elections.

The kiwi traded at 66.69 US cents at 8.30am in Wellington versus 66.57 US cents late yesterday. The trade-weighted index was at 72.77 from 72.61.

The first results of the closely-watched US mid-term elections, held today, will start arriving this afternoon New Zealand time.

"Prediction markets suggest that the Democrats will win control of the House of Representatives, with the Republicans retaining a slim majority in the Senate," Liam Peach, assistant economist at Capital Economics, said in a note. "We doubt that this outcome would have much impact on the US stock market. Aside from the fact that it is anticipated, a divided Congress would mean legislative gridlock and little prospect of big changes in fiscal policy."

"Admittedly, prediction markets have not had much success in forecasting election outcomes in recent years, including the one in 2016," Peach added. "But even if the result is not what they are signalling, we doubt that there will be a big reaction."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,616.05	36.46	▲	0.38%
S&P/NZX 50 Index	8,816.42	37.64	▲	0.43%
S&P/NZX MidCap Index	25,649.63	84.98	▲	0.33%
S&P/NZX SmallCap Index	62,934.75	221.99	▼	0.35%
S&P/NZAX All Index	524.94	2.76	▲	0.53%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,958.70	53.90	▲	0.91%
S&P/ASX 200	5,875.20	57.10	▲	0.98%
ASX Small Ordinaries	2,623.90	20.30	▲	0.78%
S&P/ASX MIDCAP 50	6,543.00	51.10	▲	0.79%
S&P/ASX 20	3,277.40	33.80	▲	1.04%
Foreign Markets Index				
	Last	Change		
S&P 500	2,744.29	5.98	▲	0.22%
Dow Jones	25,542.56	80.86	▲	0.32%
NASDAQ Composite	7,343.22	14.37	▲	0.20%
DAX	11,484.34	10.62	▼	0.09%
ASX All Ordinaries	5,958.70	53.90	▲	0.91%
NIKKEI 225	22,147.75	248.76	▲	1.14%
HANG SENG INDEX	26,120.96	186.57	▲	0.72%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9240	0.0004	▼	0.04%
USD	0.6669	0.0000		0.00%
CNY	4.6120	0.0060	▼	0.13%
EUR	0.5842	0.0003	▼	0.05%
CAD	0.8760	0.0022	▲	0.25%
GBP	0.5092	0.0022	▼	0.43%
JPY	75.5905	0.0975	▲	0.13%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.42			
10-year Swap	2.92			
Commodities Futures				
	Last	Change		
Gold	1,227.50	4.80	▼	0.39%
Silver	14.51	0.14	▼	0.94%
Crude Oil	62.12	0.98	▼	1.55%

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