

MORNING REPORT

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Top News

NZ shares rebound; Kathmandu rises after bookbuild

New Zealand shares rose after two days of decline, amid a volatile international market. Outdoor retailer Kathmandu helped move the market higher.

The S&P/NZX50 Index increased 71.61 points, or 0.7 percent, to 10,892.82. Within the index, 33 stocks rose, 13 fell, and four were unchanged.

"October is usually a volatile month for investors and the New Zealand market has performed well in relation to its Asian counterparts today," said Peter McIntyre, a senior advisor at Craigs Investment Partners. "But that volatility is expected to remain in the coming week as their wall of worry that's appeared will continue."

Overnight leads were moderate with the S&P 500 up less than 1 percent. New Zealand traded well above the rest of Asia and Australia which is "just in the green," McIntyre added.

Equity markets slumped earlier in the week after weaker-than-expected US manufacturing and services data suggested growth in the world's largest economy may be slowing.

Next week, US earnings season would likely give better indications to the market how the ongoing war with China is impacting companies, McIntyre added.

NZ dollar holds above 63 US cents after US jobs data

The New Zealand dollar held above 63 US cents after US employment data weighed on the greenback overnight Friday.

The kiwi was trading at 63.08 US cents at 7:55 am in Wellington from 63.16 US cents late Friday in New York. The trade-weighted index was at 70.50 from 70.44.

The US unemployment rate declined to 3.5 percent in September, and total non-farm payroll employment rose by 136,000, the US Bureau of Labor Statistics reported. The unemployment number was the lowest since 1969, it said.

The growth in non-farm payrolls, however, was weaker than the expected 145,000. Jobs growth in August was revised up to 168,000 from the 130,000 initially reported.

"The market viewed the employment data as hitting a bit of a sweet spot," said Kiwibank FX trader Mike Shirley. "It was strong enough to avoid further stoking recession concerns but soft enough to heighten expectations for future further interest rate cutting action from the Fed," he said.

US Federal Reserve chair Jerome Powell's comments at a "Fed Listens" event in Washington also weighed on the greenback. According to Powell, the US economy is in a good place but faces some risks

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,761.94	77.33	▲	0.66%
S&P/NZX 50 Index	10,892.82	71.61	▲	0.66%
S&P/NZX MidCap Index	31,297.11	244.79	▲	0.79%
S&P/NZX SmallCap Index	61,383.11	149.46	▲	0.24%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,636.90	25.20	▲	0.38%
S&P/ASX 200	6,517.10	24.10	▲	0.37%
ASX Small Ordinaries	2,842.40	9.00	▲	0.32%
S&P/ASX MIDCAP 50	6,934.90	22.00	▲	0.32%
S&P/ASX 20	3,593.40	13.00	▲	0.36%

Foreign Markets Index				
	Last	Change		
S&P 500	2,952.01	41.38	▲	1.42%
Dow Jones	26,573.72	372.72	▲	1.42%
NASDAQ Composite	7,982.47	110.20	▲	1.40%
DAX	12,012.81	87.61	▲	0.73%
ASX All Ordinaries	6,636.90	25.20	▲	0.38%
NIKKEI 225	21,410.20	68.50	▲	0.32%
HANG SENG INDEX	25,821.03	289.27	▼	1.11%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9338	0.0004	▲	0.04%
USD	0.63	-0.0002	▼	0.03%
CNY	4.5170	0.0020	▲	0.04%
EUR	0.58	-0.0005	▼	0.09%
CAD	0.8406	-0.0008	▼	0.10%
GBP	0.51	0.0005	▲	0.10%
JPY	67.5250	-0.0400	▼	0.06%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.05	
5y Swap	0.83	
10y Swap	1.11	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,510.30	3.50	▼ 0.23%
Silver	17.60	0.08	▼ 0.43%
Crude Oil	53.01	0.56	▲ 1.07%

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