



MORNING REPORT

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Top News

NZ dollar falls vs yen as investors seek safe havens ahead of Trump's China tariff decision

The New Zealand dollar fell against the yen as investors flocked to the relative safety of Japan's currency ahead of US President Donald Trump's decision on whether to impose tariffs on another US\$200 billion of Chinese imports.

Japan's yen and the Swiss franc both strengthened 0.7 percent as investors sought out safe-haven assets ahead of Trump's decision on whether to extend tariffs on Chinese products. The White House is expected to proceed with the increased protections, with data this week showing the US trade deficit with China widened in July. The US-China trade war has weighed on currencies of exporting nations such as New Zealand. Reserve Bank governor Adrian Orr is set to deliver a speech this morning on geopolitics.

Trump "is widely expected to go ahead with additional tariffs, but the devil will be in the detail, such as phasing, and whether he then threatens (again) tariffs on the full US\$500-plus billion of Chinese imports," Bank of New Zealand senior markets strategist Jason Wong said in a note. "Against that backdrop, the safe-haven yen and Swiss franc are the best performing currencies."

NZ shares drop as stocks shed dividend rights; Synlait, Heartland, A2 fall

New Zealand shares dropped as many large stocks shed their dividend rights, with Synlait Milk, Heartland Bank and A2 Milk Co leading the index lower.

A lot of today's weakness came from large stocks going ex-dividend, with Air New Zealand, Heartland Bank, Trade Me Group, Sky Network Television and Vector all giving up dividend rights.

Leading the index lower was Synlait Milk, down 4.9 percent to \$12.75. It's the best-performing stock on the index so far this year, up 86 percent. The second-best performing stock, A2 Milk which is up 54 percent, dropped 4.2 percent to \$11.88.

Heartland fell 4.6 percent or 8 cents to \$1.67 as it shed a 5.5 cent final dividend; Air New Zealand dropped 3.8 percent or 12.5 cents to \$3.21 as it gave up rights to an 11 cent final dividend. Trade Me dropped 2.9 percent, or 15 cents, to \$4.96, as it shed both a 10.5 cent final dividend and a 22 cent special dividend.

Tourism Holdings was the best performer, up 3 percent to \$5.85. It gives up its dividend rights on Oct. 1. Summerset Group Holdings rose 0.9 percent to \$7.71 and Skycity Entertainment Group gained 0.7 percent to \$4.13.

Infratil dropped 1.3 percent to \$3.405 while Tilt Renewables was unchanged at \$2.30. Infratil today said the \$208.5 million Tilt takeover offer it's leading is "fair and reasonable" after Tilt's independent directors recommended shareholders reject the deal as being too low.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,913.10	150.54	▼	1.50%
S&P/NZX 50 Index	9,101.60	143.04	▼	1.55%
S&P/NZX MidCap Index	26,069.19	255.64	▼	0.97%
S&P/NZX SmallCap Index	63,900.09	390.32	▼	0.61%
S&P/NZAX All Index	535.68	1.89	▼	0.35%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,267.80	71.40	▼	1.13%
S&P/ASX 200	6,160.40	70.00	▼	1.12%
ASX Small Ordinaries	2,811.90	42.80	▼	1.50%
S&P/ASX MIDCAP 50	7,025.70	104.80	▼	1.47%
S&P/ASX 20	3,391.80	30.90	▼	0.90%
Foreign Markets Index				
	Last	Change		
S&P 500	2,878.05	10.55	▼	0.37%
Dow Jones Industrial Average	25,995.87	20.88	▲	0.08%
NASDAQ Composite	7,922.73	72.45	▼	0.91%
DAX PERFORMANCE-INDEX	11,955.25	85.21	▼	0.71%
ASX All Ordinaries	6,267.80	71.40	▼	1.13%
NIKKEI 225	22,487.94	92.89	▼	0.41%
HANG SENG INDEX	26,974.82	269.03	▼	0.99%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9154	0.0007	▼	0.08%
USD	0.6589	0.0001	▼	0.02%
CNY	4.5010	0.0030	▲	0.07%
EUR	0.5668	0.0001	▼	0.02%
CAD	0.8660	0.0026	▼	0.30%
GBP	0.5097	0.0000		0.00%
JPY	72.9800	0.5080	▼	0.69%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.29			
10-year Swap	2.80			
Commodities Futures				
	Last	Change		
Gold	1,205.50	4.20	▲	0.35%
Silver	14.18	0.04	▼	0.28%
Crude Oil	67.88	0.84	▼	1.22%

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