

MORNING REPORT

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Top News

NZ shares fall; weak Summerset sales weigh on retirement stocks

New Zealand shares fell, led lower by Summerset Group, after the retirement village operator and developer cited a slowing property market in reporting weak sales. Rivals Ryman Healthcare and Metlifecare suffered accordingly.

The S&P/NZX 50 Index dropped for a third day, down 35.55 points, or 0.4 percent, at 9,857.05. Within the index, 21 stocks fell, 22 rose, and seven were unchanged. Turnover was \$134 million with just five companies trading on volumes of more than a million shares.

Summerset sank 7 percent to \$6.07 on a volume of 689,000 shares, more than twice its 90-day average. The company reported a 4.2 percent decline in first-quarter sales and said it's starting to see the impact of a slowing property market in Auckland and Christchurch. Ryman fell 2.7 percent to \$12.06 and Metlifecare declined 1.8 percent to \$4.91.

"The rising property market underpinned their shares on the way up, it therefore follows that the reverse is true on the way down," said Greg Smith, head of research at Fat Prophets.

Without that tailwind, investors will be looking more closely at the retirement village sector's underlying earnings, he said.

Arvida Group declined 0.8 percent to \$1.31, while outside the benchmark index, Oceania Healthcare dropped 3.9 percent to \$1 on a bigger volume than usual of 1.6 million shares.

NZ dollar weaker after greenback gains on US jobs data

The New Zealand dollar is weaker after US jobs data was better than expected, easing fears about a possible economic slowdown in the US.

The Kiwi was trading at 67.26 at 8am in Wellington versus 67.31 late Friday in New York. It was at 67.54 US cents at 5pm Friday in Wellington. The trade weighted index was at 73.13 points from 73.09 points in New York.

Nonfarm payrolls increased a seasonally adjusted 196,000 in March, the Labor Department said Friday, a rebound from the 33,000 jobs added in February. The unemployment rate held steady at 3.8 percent last month.

"Kiwi put up little fight against the greenback as US non-farm payrolls came in better than expected. With a dovish RBNZ providing the backdrop, and few local releases to provide support, the kiwi remains at the whim of offshore moves," said ANZ FX/rates strategist Sandeep Parekh. He said it has support at 67 US cents and resistance at 68 US cents.

The market remains focused on US-China trade headlines as well as Brexit.

The kiwi was trading at 51.57 British pence versus 51.66 late Friday as "sterling whipsaws as Brexit nears," said Parekh. "Efforts made by PM May to extend Brexit continued to provide support whilst markets brace for more volatility as negotiations continue this week."

The kiwi was at 94.63 Australian cents versus 94.71 and at 59.96 euro cents from 60.03, at 75.14 Japanese yen from 75.23 and at 4.5187 Chinese yuan from 4.5240.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,669.79	35.80	▼	0.33%
S&P/NZX 50 Index	9,857.05	35.55	▼	0.36%
S&P/NZX MidCap Index	28,397.60	79.62	▼	0.28%
S&P/NZX SmallCap Index	58,694.75	186.55	▲	0.32%
S&P/NZAX All Index	608.38	6.93	▲	1.15%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,270.60	49.80	▼	0.79%
S&P/ASX 200	6,181.30	51.50	▼	0.83%
ASX Small Ordinaries	2,764.50	13.80	▼	0.50%
S&P/ASX MIDCAP 50	6,670.70	50.70	▼	0.75%
S&P/ASX 20	3,450.40	30.00	▼	0.86%
Foreign Markets Index				
	Last	Change		
S&P 500	2,892.74	13.35	▲	0.46%
Dow Jones	26,424.99	40.39	▲	0.15%
NASDAQ Composite	7,938.69	46.91	▲	0.59%
DAX	12,009.75	21.75	▲	0.18%
ASX All Ordinaries	6,270.60	49.80	▼	0.79%
NIKKEI 225	21,807.50	82.60	▲	0.38%
HANG SENG INDEX	29,936.32	50.08	▼	0.17%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9478	0.0003	▲	0.03%
USD	0.6734	0.0000		0.00%
CNY	4.5240	0.0020	▼	0.04%
EUR	0.6004	0.0000		0.00%
CAD	0.9014	0.0004	▲	0.04%
GBP	0.5164	0.0003	▼	0.06%
JPY	75.2350	0.0165	▲	0.02%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.88			
5-year Swap	1.83			
10-year Swap	2.26			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,295.90	1.60	▲	0.12%
Silver	15.08	0.00	▲	0.03%
Crude Oil	63.26	1.16	▲	1.87%

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