

MORNING REPORT

As at 8.44 AM 8/01/2019

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Top News

NZ dollar settles within a range on soothing developments

The New Zealand dollar is back to range-trading after a number of calming influences lifted it from last week's lows.

The New Zealand dollar was trading at 67.50 US cents at 5pm in Wellington, just below the day's high at 67.55 and from 67.40 cents at 9am this morning. The trade-weighted index eased to 73.29 points from 73.32.

Market strategist at Westpac, Imre Speizer, says recent calming influences included China's easing of monetary policy, a move that freed up US\$116 billion for new lending as it tried to combat a number of weaker economic indicators

Significantly better-than-expected United States jobs figures on Friday also helped. The economy added 312,000 jobs in December, significantly more than the 179,000 jobs economists had forecast and the November numbers were also revised upwards by 21,000 jobs.

Also smoothing last week's jitters, US officials are meeting Chinese counterparts in Beijing this week. Investors are hopeful the two nations can strike a deal to end or at least limit the trade war begun by US President Donald Trump.

As well, Federal Reserve chair Jerome Powell both defended his political independence and reassured financial markets that the Fed will be "patient" about raising interest rates.

NZ shares rise as bargain hunters move on global relief rally

New Zealand shares rose as improving risk appetite in the wake of strong US jobs data and a note of caution from the US Federal Reserve sparked bargain-hunting in stocks like Kathmandu, Synlait Milk and A2 Milk.

The S&P/NZX 50 index increased 62.28 points, or 0.7 percent, to 8,806.04. Within the index, 32 stocks gained, 11 fell and seven were unchanged. Turnover was low at \$73.9 million.

Stocks across Asia gained sharply after December jobs growth in the US was stronger than expected and after US Federal Reserve chair Jerome Powell said the Fed could be "patient" when assessing the need for more rate increases in 2019. Both factors helped ease concerns about a possible slowdown in global growth and the US economy in particular. The Dow Jones Industrial Average added 3.3 percent while the S&P 500 rose 3.4 percent and the Nasdaq ended 4.3 percent higher.

"The strong positive lead from the US on Friday night has led to a big sigh of relief in markets today," said Forsyth Barr broker Suzanne Kinnaird.

Asian share markets were also cheered after China's central bank announced an easing in policy on Friday, with 100 basis points of cuts to bank reserve requirements freeing up around \$116 billion for new lending.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,567.93	62.36	▲	0.66%
S&P/NZX 50 Index	8,806.04	62.28	▲	0.71%
S&P/NZX MidCap Index	25,859.74	199.31	▲	0.78%
S&P/NZX SmallCap Index	57,963.59	10.94	▲	0.02%
S&P/NZAX All Index	505.29	4.88	▼	0.96%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,744.50	67.50	▲	1.19%
S&P/ASX 200	5,683.20	63.80	▲	1.14%
ASX Small Ordinaries	2,471.30	44.90	▲	1.85%
S&P/ASX MIDCAP 50	6,167.40	127.20	▲	2.11%
S&P/ASX 20	3,201.20	28.80	▲	0.91%
Foreign Markets Index				
	Last	Change		
S&P 500	2,553.97	22.03	▲	0.87%
Dow Jones	23,567.16	134.00	▲	0.57%
NASDAQ Composite	6,821.40	82.54	▲	1.22%
DAX	10,747.81	19.88	▼	0.18%
ASX All Ordinaries	5,744.50	67.50	▲	1.19%
NIKKEI 225	20,038.97	477.01	▲	2.44%
HANG SENG INDEX	25,835.70	209.67	▲	0.82%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9455	0.0022	▼	0.23%
USD	0.6755	0.0010	▲	0.15%
CNY	4.6270	0.0040	▼	0.09%
EUR	0.5883	0.0036	▼	0.61%
CAD	0.8983	0.0039	▼	0.43%
GBP	0.5289	0.0010	▼	0.19%
JPY	73.3195	0.0945	▲	0.13%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.18			
10-year Swap	2.63			
Commodities Futures				
	Last	Change		
Gold	1,289.30	3.50	▲	0.27%
Silver	15.71	0.08	▼	0.48%
Crude Oil	48.58	0.62	▲	1.29%

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