

MORNING REPORT

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Top News

NZX50 firms in mixed trade: Pushpay extends gain while Trustpower falls

The key New Zealand share index was mildly stronger despite the number of its constituents falling matching those that gained. Pushpay Holdings extended its gains after reporting strong results and A2 Milk bounced back from Wednesday's sell-down.

On the negative side, Trustpower was among the biggest decliners after reporting a fall in first-half net profit and trimming its full-year guidance.

The benchmark S&P/NZX 50 Index rose 35.88 points, or 0.3 percent, to 10,795.06. Within the index, 21 stocks rose, 21 fell and eight were unchanged. Turnover was \$134.5 million.

Pushpay shares rose 13 cents, or 4 percent, to \$3.42 after climbing 3.8 percent yesterday when it reported a US\$6.5 million net profit for the six months ended September, a turnaround from the previous first-half's US\$4.4 million net loss.

The digital church collection payment app maker started generating a positive operating cash flow over the past 12 months, and that stepped up to US\$8.9 million in the six months ended Sept. 30 from about US\$2 million in the March period.

"That was a great result," says James Porteous, a broker at Craigs Investment Partners.

Craigs analyst Stephen Ridgewell said Pushpay is "demonstrating impressive operating leverage" and revised his 12-month target price to \$4.75 from \$4.25.

NZ dollar gets lift from US-China trade progress

The New Zealand dollar benefited from improving risk appetite as an interim US-China trade deal appeared more likely.

The kiwi was trading at 63.63 US cents at 7:50 am in Wellington versus 63.47 cents at 5pm. The trade-weighted index was at 70.05 from 70.02.

The global mood improved after China announced that the soon-to-be signed phase one agreement will specify which tariffs will be rolled back as assorted milestones are reached, said Kiwibank senior FX trader Mike Shirley. The news was confirmed by a US official, which added to the improving sentiment.

China and the US have agreed to roll back tariffs on each other's goods in phases as they work toward a deal between the two sides, Bloomberg reported.

"In the past two weeks, top negotiators had serious, constructive discussions and agreed to remove the additional tariffs in phases as progress is made on the agreement," Ministry of Commerce spokesman Gao Feng said.

A US official, who spoke on condition of anonymity, confirmed that an agreement to roll back tariffs would be part of the phase-one deal, Bloomberg said. The negotiations are ongoing and a time or place for any signing of a pact is yet to be determined.

There was "cautious optimism," according to Shirley.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,684.88	37.61	▲ 0.32%
S&P/NZX 50 Index	10,795.06	35.88	▲ 0.33%
S&P/NZX MidCap Index	30,946.55	100.12	▼ 0.32%
S&P/NZX SmallCap Index	64,110.98	93.95	▲ 0.15%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,836.90	63.70	▲ 0.94%
S&P/ASX 200	6,726.60	66.40	▲ 1.00%
ASX Small Ordinaries	2,915.50	15.50	▲ 0.53%
S&P/ASX MIDCAP 50	7,062.00	72.30	▲ 1.03%
S&P/ASX 20	3,717.50	36.70	▲ 1.00%

Foreign Markets Index			
	Last	Change	
S&P 500	3,084.14	7.36	▲ 0.24%
Dow Jones Industrial Average	27,673.90	181.34	▲ 0.66%
NASDAQ Composite	8,430.82	20.19	▲ 0.24%
DAX PERFORMANCE-INDEX	13,289.46	109.57	▲ 0.83%
ASX All Ordinaries	6,836.90	63.70	▲ 0.94%
NIKKEI 225	23,330.32	26.50	▲ 0.11%
HANG SENG INDEX	27,847.23	158.59	▲ 0.57%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9226	-0.0025	▼ 0.27%
USD	0.64	-0.0005	▼ 0.08%
CNY	4.4410	-0.0160	▼ 0.36%
EUR	0.58	0.0008	▲ 0.14%
CAD	0.8391	-0.0007	▼ 0.08%
GBP	0.50	0.0011	▲ 0.22%
JPY	69.5750	0.1690	▲ 0.24%

NZ Interest Rates	
	Change
NZ OCR	1.00
3m Bank Bill	1.13
5y Swap	1.14
10y Swap	1.46

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,468.70	24.40	▼ 1.63%
Silver	17.08	0.52	▼ 2.97%
Crude Oil	57.02	0.67	▲ 1.19%

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