



MORNING REPORT

As at 9.05 AM 8/10/2019

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Top News

NZ dollar dips below 63 US cents on US-China trade worries

The New Zealand dollar slipped below 63 US cents as investors remained jittery about the outcome of the US-China trade talks this week.

About 30 Chinese officials, led by Vice Finance Minister Liao Min, entered the U.S. Trade Representative's office for two days of negotiations, to be followed by the first minister-level trade talks in more than two months, according to Reuters.

The White House officially confirmed that the high-level talks, involving Chinese Vice Premier Liu He, U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin would begin on Thursday.

Markets, however, were jittery when Vice Premier Liu He told dignitaries that his offer to the U.S. will not include commitments on reforming Chinese industrial policy or government subsidies, according to Bloomberg.

Today, the 2018/19 Financial Statements of the government are released at 1pm. The fiscal position is likely to come in a touch stronger than the Treasury's latest forecast owing to temporary factors, said Parekh.

NZ shares rise in quiet trading as Fonterra hits 4-month high

New Zealand shares rose in quiet trading, led by Fonterra Shareholders' Fund units which hit a four-month high as investors and suppliers take some confidence in the dairy processor's new strategy.

Kathmandu was the most traded stock on a volume of 1.1 million shares, more than three times its 90-day average of 283,000. The outdoor equipment chain is in the process of raising \$145 million in an entitlement offer to help fund its A\$350 million Rip Curl acquisition. The shares were unchanged at \$3.10.

Fonterra rose as high as \$4.03, the highest since mid-June, and ended the day up 5.8 percent at \$4 on a volume of 440,000 units, about twice its 90-day average of 216,000. The farmer-owned shares rose the same amount, up 5.8 percent at \$4. Both securities have been on the rise since Fonterra unveiled a streamlined strategy to extract value rather than pursuing volume.

Restaurant Brands New Zealand was up 5.1 percent at \$11.39 on a volume of 28,000 shares. Davies said the stock was thinly traded since its partial takeover by Finaccess Capital and, as such, was prone to sharp swings.

Fletcher Building increased 1.1 percent to \$4.81. The first day of court proceedings kicked off today, where Fletcher is being sued and is countering contractor Electrix over the Christchurch Justice & Emergency Precinct.

Outside the benchmark index, New Zealand Oil & Gas was unchanged at 62 cents ahead of next week's special meeting. The NZ Shareholders' Association plans to vote against what it considers an "opportunistic" takeover offer by controlling shareholder OG Oil & Gas at 62 cents.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,846.81	84.87	▲	0.72%
S&P/NZX 50 Index	10,975.62	82.80	▲	0.76%
S&P/NZX MidCap Index	31,535.93	238.82	▲	0.76%
S&P/NZX SmallCap Index	61,326.34	56.77	▼	0.09%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,686.70	49.80	▲	0.75%
S&P/ASX 200	6,563.60	46.50	▲	0.71%
ASX Small Ordinaries	2,866.20	23.80	▲	0.84%
S&P/ASX MIDCAP 50	6,988.60	53.70	▲	0.77%
S&P/ASX 20	3,614.70	21.30	▲	0.59%

Foreign Markets Index				
	Last	Change		
S&P 500	2,938.75	13.26	▼	0.45%
Dow Jones Industrial Average	26,477.55	96.17	▼	0.36%
NASDAQ Composite	7,956.29	26.18	▼	0.33%
DAX PERFORMANCE-INDEX	12,097.43	84.62	▲	0.70%
ASX All Ordinaries	6,686.70	49.80	▲	0.75%
NIKKEI 225	21,375.25	34.95	▼	0.16%
HANG SENG INDEX	25,821.03	289.27	▼	1.11%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9341	0.0004	▲	0.04%
USD	0.63	-0.0019	▼	0.30%
CNY	4.4950	-0.0220	▼	0.49%
EUR	0.57	-0.0015	▼	0.26%
CAD	0.8368	-0.0036	▼	0.43%
GBP	0.51	-0.0009	▼	0.18%
JPY	67.4475	0.1575	▲	0.23%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.04			
5y Swap	0.83			
10y Swap	1.11			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,497.60	15.30	▼	1.01%
Silver	17.48	0.15	▼	0.85%
Crude Oil	52.90	0.09	▲	0.17%

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