

MORNING REPORT

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Top News

NZ dollar falls vs yen as trade war threat revives, little changed vs greenback

The New Zealand dollar fell against a broadly stronger yen, amid renewed tough talk on trade between the US and China which sapped risk appetite and boosted the appeal of so-called safe haven currencies.

US President Donald Trump tweeted on Sunday that he expects China to remove trade barriers "because it is the right thing to do" and said he would remain friends with Chinese President Xi Jinping. That followed a tweet on Friday that the US could impose an additional US\$100 billion of tariffs on China. Last week the two countries traded threats, with China warning that increased tariffs imposed by the US would result in "a fierce counter-strike."

Trump's trade moves, US inflation and earnings

US President Donald Trump's ongoing trade sparring, notably with China, will remain in focus this week as investors get ready for the start of earnings season.

On Tuesday, all eyes will be on a speech by China's President Xi Jinping. Trump's move last Thursday to up the ante with plans for an additional US\$100 billion in tariffs on imports from China prompted a swift threat of retaliation.

On Friday, the Dow Jones Industrial Average retreated 2.3 percent, the Standard & Poor's 500 Index dropped 2.2 percent, and the Nasdaq Composite Index gave up 2.3 percent.

On Wednesday investors will also pore over minutes from last month's Federal Open Market Committee meeting, during which US central bankers decided to lift their key interest rate, for fresh clues about the potential policy makers might eye more than two additional rate hikes this year.

NZ shares up, Sky TV bounces with Comvita, Mainfreight up while Orion Health gains 20%

New Zealand shares gained, led by Sky Network Television bouncing back and Orion Health surging 20 percent after it confirmed it's considering sale options.

Sky Network Television was the best performer, up 6.3 percent to \$2.35, meaning it gained 2.6 percent last week despite dropping for most of it. Comvita gained 2.1 percent to \$7.25, Mainfreight rose 1.7 percent to \$24.40, and Trade Me Group advanced 1.6 percent to \$4.37.

Summerset Group Holdings gained 0.9 percent to \$6.94. Its first-quarter sales of occupation rights dropped 16 percent but the company said it remains on track to deliver 450 new homes over 2018 as sales increase.

Synlait Milk fell 1.3 percent to \$8.96, while A2 Milk Co gained 0.4 percent to \$12.97, putting its weekly gain at 4.6 percent. Both stocks recovered from selling last week, which came on news of increased competition for A2 from Nestle in China.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,136.483	28.723	▲	0.32%
S&P/NZX 50 Index	8,393.266	29.276	▲	0.35%
S&P/NZX MidCap Index	24,190.931	104.361	▲	0.43%
S&P/NZX SmallCap Index	58,597.996	108.415	▼	0.18%
S&P/NZAX All Index	517.341	2.149	▼	0.41%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,886.90	1.10	▼	0.02%
S&P/ASX 200	5,788.70	0.10	▼	0.00%
ASX Small Ordinaries	2,649.90	5.30	▲	0.20%
S&P/ASX MIDCAP 50	6,578.00	0.80	▼	0.01%
S&P/ASX 20	3,202.60	0.90	▼	0.03%
Foreign Markets Index				
	Last	Change		
S&P 500	2,604.47	58.37	▼	2.19%
Dow Jones	23,932.76	572.46	▼	2.34%
NASDAQ Composite	6,915.11	161.44	▼	2.28%
FTSE	7,183.64	15.86	▼	0.22%
ASX All Ordinaries	5,886.90	1.10	▼	0.02%
NIKKEI 225	21,567.52	77.90	▼	0.36%
HANG SENG INDEX	29,844.94	326.25	▲	1.11%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9458	0.0018	▼	0.19%
USD	0.7263	0.0007	▼	0.10%
CNY	4.5790	0.0050	▼	0.11%
EUR	0.5916	0.0003	▼	0.05%
CAD	0.9274	0.0018	▼	0.19%
GBP	0.5156	0.0004	▼	0.08%
JPY	77.6950	0.0200	▼	0.03%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.69			
10-year Swap	3.14			
Commodities Futures				
	Last	Change		
Gold	1,337.30	8.80	▲	0.66%
Silver	16.36	0.01	▲	0.06%
Crude Oil	61.95	1.59	▼	2.50%

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