



## MORNING REPORT

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### Top News

#### NZ dollar recovers on better China, US data

The New Zealand dollar firmed after stronger than expected trade data from China and a fall in US jobless claims gave global sentiment a boost.

China's July export growth lifted 3.3 percent from a year earlier in US dollar terms after falling 1.3 percent in June. Economists polled by Bloomberg had expected a 1.0 percent decline.

According to Capital Economics, the pick-up was mostly driven by stronger exports to non-US countries. Imports also fared better, falling 5.6 percent on the year versus a 7.3 percent fall in the prior month.

In the US, initial jobless claims fell by a seasonally adjusted 8,000 to 209,000 in the week ending August 3 - the fifth straight week that jobless claims were below 220,000, according to Dow Jones Newswires.

Today, the main event will be the Reserve Bank of Australia monetary policy statement. The RBA held rates steady at 1.0 percent but left the door open for further easing in their latest review. Governor Philip Lowe is also due to testify before the House of Representatives' Standing Committee on Economics today.

#### NZ shares extend gain; Kathmandu produces 'ripper' result

New Zealand shares rose for a second day, led by Kathmandu Holdings after the outdoor equipment chain beat earnings expectations and as record-low interest rates continue to support yield stocks.

Kathmandu hit a four-month high \$2.45, and ended the day up 16 percent at \$2.44 on a volume of 850,000 shares, well up on its 90-day average of 143,000. The retailer said annual profit rose by as much as 13 percent as Australian sales accelerated in the second half and its North American Oboz Footwear acquisition continued to bolster revenue. It will report its audited result in September.

Yesterday's surprisingly large cut to the official cash rate by the Reserve Bank continued to support demand for stocks offering reliable dividends. Argosy Property, which held its annual meeting today, rose 4.6 percent to \$1.475, Auckland International Airport was up 3.3 percent to \$9.81 on a volume of 1.3 million shares, Contact Energy advanced 2.7 percent to \$8.13 with 1.2 million shares changing hands, Stride Property increased 2.6 percent to \$2.34, and Genesis Energy was up 2.6 percent at \$3.51.

The sharp interest rate cut also helped push the kiwi dollar lower - ending the local session at 64.56 US cents - which Solly said also supported exporters. Pushpay Holdings rose 1.3 percent to \$3.25, Air New Zealand advanced 0.9 percent to \$2.76, Scales Corp was up 0.9 percent at \$4.58 and Fisher & Paykel Healthcare increased 0.3 percent to \$16.05.

A2 Milk Co fell 2.7 percent to \$16.13 on a volume of 1.3 million shares, more than its 710,000 average, and the worst performer on the benchmark index. Tourism Holdings was down 2.2 percent at \$3.95.

Spark New Zealand was the most traded stock on a volume of 8.9 million shares, more than twice its 90-day average of 3 million.

#### NZX Index

Index	Last	Change
S&P/NZX All Index	11,744.15	97.40 ▲ 0.84%
S&P/NZX 50 Index	10,874.30	88.04 ▲ 0.82%
S&P/NZX MidCap Index	30,993.08	394.45 ▲ 1.29%
S&P/NZX SmallCap Index	61,004.06	473.04 ▲ 0.78%

#### ASX Index

Index	Last	Change
ASX All Ordinaries	6,642.30	53.80 ▲ 0.82%
S&P/ASX 200	6,568.10	48.60 ▲ 0.75%
ASX Small Ordinaries	2,856.40	36.60 ▲ 1.30%
S&P/ASX MIDCAP 50	6,907.80	42.60 ▲ 0.62%
S&P/ASX 20	3,655.00	21.60 ▲ 0.59%

#### Foreign Markets Index

	Last	Change
S&P 500	2,938.09	54.11 ▲ 1.88%
Dow Jones Industrial Average	26,378.19	371.12 ▲ 1.43%
NASDAQ Composite	8,039.16	176.33 ▲ 2.24%
DAX PERFORMANCE-INDEX	11,845.41	195.26 ▲ 1.68%
ASX All Ordinaries	6,642.30	53.80 ▲ 0.82%
NIKKEI 225	20,593.35	76.79 ▲ 0.37%
HANG SENG INDEX	26,120.77	123.74 ▲ 0.48%

#### Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9526	-0.0001 ▼ 0.01%
USD	0.65	0.0001 ▲ 0.02%
CNY	4.5650	0.0000 ▲ 0.00%
EUR	0.58	0.0000 ▲ 0.00%
CAD	0.8570	-0.0003 ▼ 0.04%
GBP	0.53	0.0000 ▲ 0.00%
JPY	68.7450	0.0185 ▲ 0.03%

#### NZ Interest Rates

	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.21	
5y Swap	1.00	
10y Swap	1.30	

#### Commodities Futures (Spot Price \$USD)

	Last	Change
Gold	1,512.70	6.90 ▼ 0.45%
Silver	16.93	0.27 ▼ 1.55%
Crude Oil	52.92	1.83 ▲ 3.58%

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