



MORNING REPORT

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Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

Top News

NZ dollar hovers near top of recent range as hopes rise

The New Zealand dollar is treading water near the top of its recent range on speculation the US Federal Reserve will either slow down or pause further rate hikes and hopes for a positive outcome to United States-China trade talks.

Japan's Nikkei Index was up about 0.8 percent late this afternoon. The S&P 500 Index futures have ticked up a little after the physical market closed 0.7 percent higher this morning.

Investors are also hoping for progress on trade talks between the US and China, where growth is slowing. Today, Apple's Korean rival Samsung cited poor sales in China for a 29 percent fall in December quarter profit.

Talks in Beijing between US and Chinese trade officials are in their second day. Lu Kang, a spokesman at the Chinese foreign ministry, was reported as saying China will work "in good faith" to resolve trade tensions with the US.

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

NZ shares get further lift on improving offshore sentiment

New Zealand shares rose as investors continued to be cheered by positive markets offshore and expectations for progress in trade talks between the US and China. Pushpay continued to rise.

Sentiment got a lift after US stocks rose for a second day, with the Dow Jones Industrial Average lifting 0.4 percent, the S&P 500 adding 0.7 percent and the Nasdaq Composite gaining 1.3 percent. US officials met their Chinese counterparts in Beijing on Monday for the first face-to-face talks since President Donald Trump and Chinese President Xi Jinping agreed in December to a 90-day truce. Markets are hopeful of a positive outcome.

Pushpay added 0.6 percent to \$3.22 as investors continued to respond positively to news it achieved its target of breaking even on a monthly cash flow basis prior to the end of 2018. The firm is confident it will now have positive cash flows on an ongoing basis and reiterated its full-year guidance.

Ryman Healthcare added 0.5 percent to \$10.89 while fellow retirement village operator Summerset added 1.9 percent to \$6.3 percent.

Among retailers, Kathmandu fell back out of favour, losing 3.3 percent to \$2.33. Other retailers are expected to start providing Christmas trading updates in the coming weeks. Briscoe Group added 0.3 percent to \$3.31, Hallenstein Glasson was down 0.3 percent at \$4.07 and the Warehouse Group was unchanged at \$2.04.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,583.32	14.26	▲	0.15%
S&P/NZX 50 Index	8,821.15	14.03	▲	0.16%
S&P/NZX MidCap Index	25,949.76	82.61	▲	0.32%
S&P/NZX SmallCap Index	58,022.69	59.10	▲	0.10%
S&P/NZAX All Index	517.10	11.81	▲	2.34%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,783.30	38.80	▲	0.68%
S&P/ASX 200	5,722.40	39.20	▲	0.69%
ASX Small Ordinaries	2,489.10	17.80	▲	0.72%
S&P/ASX MIDCAP 50	6,220.70	53.30	▲	0.86%
S&P/ASX 20	3,219.70	18.50	▲	0.58%
Foreign Markets Index				
	Last	Change		
S&P 500	2,568.86	19.17	▲	0.75%
Dow Jones Industrial Average	23,756.31	224.96	▲	0.96%
NASDAQ Composite	6,883.76	60.29	▲	0.88%
DAX PERFORMANCE-INDEX	10,803.98	56.17	▲	0.52%
ASX All Ordinaries	5,783.30	38.80	▲	0.68%
NIKKEI 225	20,204.04	165.07	▲	0.82%
HANG SENG INDEX	25,875.45	39.75	▲	0.15%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9418	0.0033	▼	0.35%
USD	0.6724	0.0029	▼	0.43%
CNY	4.6070	0.0190	▼	0.41%
EUR	0.5876	0.0009	▼	0.15%
CAD	0.8930	0.0051	▼	0.57%
GBP	0.5287	0.0001	▲	0.02%
JPY	73.0425	0.3665	▼	0.50%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.20			
10-year Swap	2.65			
Commodities Futures				
	Last	Change		
Gold	1,286.10	3.80	▼	0.29%
Silver	15.70	0.05	▼	0.32%
Crude Oil	49.67	1.15	▲	2.37%

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www.equity.co.nz E-mail: Info@equity.co.nz

Contact Equity Investment Advisers today.
Tel: +64 (9)304 0145 / NZ: 0800 474 669