



MORNING REPORT

As at 9.00 AM 9/09/2019

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 gains after China moves to boost liquidity

The New Zealand dollar gained after China's central bank on Friday said it would cut the amount of cash that banks are required to hold, freeing up liquidity for the economy.

The People's Bank of China lowered the required reserve ratio for financial institutions by 0.5 percentage points as of Sep. 16, "aiming to further support the development of the real economy and lower financing costs," it said on its web site. It also said rural commercial banks operating solely within provincial administrative regions will have a targeted cut of 1 percentage point in the required reserve ratio. The reduction will be implemented on Oct.15 and Nov. 15, with a cut of 0.5 percentage points each time.

The US jobs data showed total nonfarm payroll employment rose by 130,000 in August, and the unemployment rate held at 3.7 percent. Economists polled by Reuters had forecast payrolls rising by 158,000 jobs in August.

The New Zealand dollar was trading at 93.89 Australian cents from 93.81 Friday in New York, at 52.32 British pence from 52.21, at 58.23 euro cents from 58.26, at 68.61 yen from 68.69 and at 4.5680 Chinese yuan from 4.5702.

NZX50 climbs 4.1% in week; yield demand reigns

The S&P/NZX 50 Index hit a record, rising 4.1 percent this week with high-yielding utilities and property stocks still in hot demand against a backdrop of ultra-low interest rates.

The benchmark index was up 112.32 points, or 1 percent, at 11,218.99. Within the index, 39 stocks rose, six fell, and five were unchanged. Turnover was a healthy \$194.8 million, more than the \$159 million daily average during August.

Stock markets were buoyed yesterday by news that the US and China will resume negotiations in their protracted trade war, which has threatened to derail global growth. The prospect of shrinking trade and a worldwide recession has encouraged central banks to cut interest rates, prompting investors to turn to equity markets to seek real returns.

Property stocks and power companies attracted heavy trading. Meridian Energy, Contact Energy, Mercury NZ, Goodman Property Trust and Genesis Energy are leading the benchmark index higher this year with gains of up to 58 percent. Goodson said there has been very aggressive buying of the gen-tailers and property stocks this week, which showed signs of being from overseas passive investors.

Kiwi Property Group was up 0.9 percent at \$1.69 on a volume of 2.9 million shares. Contact Energy rose 0.7 percent to \$8.98 on 2.6 million, and Genesis increased 0.3 percent to \$3.66 with 1.6 million shares changing hands. Goodman was up 0.2 percent at \$2.22 on a volume of 1.3 million and Mercury rose 2.7 percent to \$5.62 with 1.2 million shares changing hands.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	12,099.15	119.02	▲	0.99%
S&P/NZX 50 Index	11,219.00	110.29	▲	0.99%
S&P/NZX MidCap Index	31,628.55	367.61	▲	1.18%
S&P/NZX SmallCap Index	60,651.08	485.72	▲	0.81%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,752.70	31.90	▲	0.47%
S&P/ASX 200	6,647.30	34.10	▲	0.52%
ASX Small Ordinaries	2,887.10	10.40	▲	0.36%
S&P/ASX MIDCAP 50	7,125.20	49.40	▲	0.70%
S&P/ASX 20	3,671.70	21.20	▲	0.58%

Foreign Markets Index				
	Last	Change		
S&P 500	2,978.71	2.71	▲	0.09%
Dow Jones Industrial Average	26,797.46	69.26	▲	0.26%
NASDAQ Composite	8,103.07	13.76	▼	0.17%
DAX PERFORMANCE-INDEX	12,191.73	64.93	▲	0.54%
ASX All Ordinaries	6,752.70	31.90	▲	0.47%
NIKKEI 225	21,199.57	113.67	▲	0.54%
HANG SENG INDEX	26,690.76	175.26	▲	0.66%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9383	0.0001	▲	0.01%
USD	0.64	-0.0002	▼	0.03%
CNY	4.5670	-0.0050	▼	0.11%
EUR	0.58	0.0001	▲	0.02%
CAD	0.8461	0.0000	▲	0.00%
GBP	0.52	0.0001	▲	0.02%
JPY	68.5700	-0.0050	▼	0.01%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.17			
5y Swap	1.02			
10y Swap	1.30			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,515.00	10.50	▼	0.69%
Silver	18.00	0.66	▼	3.52%
Crude Oil	56.73	0.43	▲	0.76%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

www.equity.co.nz [E-mail: Info@equity.co.nz](mailto:Info@equity.co.nz)

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