



MORNING REPORT

As at 9:05 AM 10-04-18

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 rises to 3-week high as President Xi speech awaited, trade war fears abate

The New Zealand dollar rose, touching a three-week high overnight, as fears of a trade war between the US and China dissipated and as investors await a speech from Chinese president Xi Jinping that may include references to the standoff with the US.

China has come into focus ahead of Xi's speech and after Bloomberg reported that the nation is considering a gradual depreciation of the yuan as it prepares to respond in its trade spat with the US. That comes after US officials including Treasury Secretary Steven Mnuchin tried to play down the threat of a trade war and amid reports that North Korean leader Kim Jong Un is prepared to discuss denuclearisation of the Korean Peninsula.

Wall St climbs with tech stocks

Wall Street rallied, while US Treasuries slid, amid signs that the US and China are moving away from the brink of a trade war.

Investors will scrutinise comments from Chinese President Xi Jinping who's set to speak at the Boao Forum For Asia on Tuesday.

All 30 stocks in the Dow rose, led by gains in shares of Merck and those of Intel, recently up 7.1 percent and 4.3 percent respectively. Shares of Microsoft and Cisco Systems also climbed, up 3 percent each recently, amid a rebound of tech stocks.

Shares of Merck jumped on the latest trial results for its Keytruda cancer treatment. Investors are gearing up for the latest US quarterly earnings season with Blackrock, Citigroup, JPMorgan Chase and Wells Fargo among companies set to report this week.

NZ shares rise with Asia's rally; Sky TV, F&P Healthcare, Fletcher gain

New Zealand shares rose as the local bourse joined a region-wide rally on optimism the US and China will manage to avoid a trade war that could slow global growth. Sky Network Television, Fisher & Paykel Healthcare and Spark NZ led broad-based gains. Orion Health jumped 11 percent.

The gains in New Zealand stocks today "are pretty consistent with elsewhere in Asia," said Greg Smith, head of research at Fat Prophets in Auckland. "Last week was one of the more volatile weeks. Global markets have been on a knife edge, or a tweet-edge," he said. While some were predicting a dire outcome for the global economy, "the only outcome is a negotiated win." Traders were now awaiting a speech by China's president Xi Jinping on Tuesday for any signals about the trade spat, he said.

Sky TV led the index higher, gaining 4.3 percent to \$2.45. The stock has tumbled on concern about the inroads streaming rivals are making on the company's pay-TV market share and more recent news that it isn't the preferred bidder for the Rugby World Cup in 2019 and that long-serving chief executive John Fellett is retiring.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,199.152	62.672	▲	0.69%
S&P/NZX 50 Index	8,454.131	60.861	▲	0.73%
S&P/NZX MidCap Index	24,263.599	72.669	▲	0.30%
S&P/NZX SmallCap Index	58,532.948	65.053	▼	0.11%
S&P/NZAX All Index	513.499	3.841	▼	0.74%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,904.70	17.80	▲	0.30%
S&P/ASX 200	5,808.70	20.00	▲	0.35%
ASX Small Ordinaries	2,655.00	5.10	▲	0.19%
S&P/ASX MIDCAP 50	6,625.80	47.80	▲	0.73%
S&P/ASX 20	3,210.80	8.20	▲	0.26%
Foreign Markets Index				
	Last	Change		
S&P 500	2,613.16	8.69	▲	0.33%
Dow Jones	23,979.10	46.34	▲	0.19%
NASDAQ Composite	6,950.34	35.23	▲	0.51%
FTSE 100	7,194.75	11.11	▲	0.15%
ASX All Ordinaries	5,904.70	17.80	▲	0.30%
NIKKEI 225	21,678.26	110.74	▲	0.51%
HANG SENG INDEX	30,229.58	384.64	▲	1.29%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9492	0.0026	▲	0.27%
USD	0.7307	0.0037	▲	0.51%
CNY	4.6060	0.0230	▲	0.50%
EUR	0.5930	0.0013	▲	0.22%
CAD	0.9278	0.0005	▼	0.05%
GBP	0.5170	0.0001	▼	0.02%
JPY	78.0120	0.2470	▲	0.32%
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	1,339.60	3.50	▲	0.26%
Silver	16.48	0.12	▲	0.72%
Crude Oil	63.29	1.23	▲	1.98%

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.

Do you need to make any changes to your portfolio?
www.equity.co.nz E-mail: Info@equity.co.nz

Contact Equity Investment Advisers today.
Tel: +64 (9)304 0145