



MORNING REPORT

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Top News

NZ dollar firms as investors await outcome of US-China trade talks

The New Zealand dollar firmed on improved prospects for a deal out of US-China trade talks this week.

Markets were weighed by escalating trade tensions overnight but sentiment got a lift when President Donald Trump reiterated a deal is still possible this week, even as he plans to raise tariffs on US\$200 billion of Chinese goods within hours to 25 percent from 10 percent. Trump said he had received a "beautiful" letter from his Chinese counterpart Xi Jinping and may speak to him by phone.

With little domestic data, the focus will remain offshore for direction. Callaghan said the kiwi has support around 65.60 US cents and faces resistance at 66.70. The Reserve Bank of Australia's statement on monetary policy will be watched as it may shed some light on why they decided to hold rates at 1.50 percent at this week's meeting. The RBA's decision contrasted with that of the Reserve Bank of New Zealand, which opted to cut rates by 25 basis points to 1.50 percent, adding to pressure on the kiwi.

The domestic currency was trading at 94.26 Australian cents from 94.25. It was at 50.64 British pence from 50.50. It was at 58.73 from 58.70 euro cents, at 72.30 Japanese yen from 72.25, and at 4.4981 Chinese yuan from 4.4737.

NZ shares extend gain on low-rate tailwind; Vista at record

New Zealand shares rose for a third day as the Reserve Bank's rate cut provides another tailwind to the stock market. Vista Group International hit a record.

The local market outperformed the rest of the Asia-Pacific region, with Australia's S&P/ASX 200 Index and Thailand's SET Index the only other bourses in positive territory today. The central bank's cut to the official cash rate yesterday spurred investors to buy stocks, where they can achieve higher returns than fixed income assets.

The rate cut pushed the kiwi dollar below 66 US cents for the first time since October, boosting the value of local firms' export receipts.

Vista, which derives most of its revenue overseas, led the market higher, up 5.2 percent at \$5.50 on a volume of 2.4 million shares, more than eight-times its 90-day average.

Pushpay Holdings was the most traded stock on a volume of 5.7 million shares, more than 10 times its 398,000 average. The shares rose 1.6 percent to \$3.77, recovering some of yesterday's decline when it reported an annual profit and said its founder Chris Heaslip was stepping down as chief executive.

Auckland International Airport rose 3.1 percent to \$8.25 on a volume of 4.3 million shares, almost four-times normal. Fisher & Paykel Healthcare increased 2.4 percent to \$15.99 on 1.1 million shares, almost twice its usual volume.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	10,930.35	45.89	▲ 0.42%
S&P/NZX 50 Index	10,104.35	41.30	▲ 0.41%
S&P/NZX MidCap Index	28,827.13	151.70	▲ 0.53%
S&P/NZX SmallCap Index	59,734.89	270.26	▲ 0.45%
S&P/NZAX All Index	604.60	3.02	▲ 0.50%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	6,377.30	25.50	▲ 0.40%
S&P/ASX 200	6,295.30	26.20	▲ 0.42%
ASX Small Ordinaries	2,794.70	4.70	▲ 0.17%
S&P/ASX MIDCAP 50	6,745.50	28.20	▲ 0.42%
S&P/ASX 20	3,515.30	9.40	▲ 0.27%

Foreign Markets Index			
	Last	Change	

S&P 500	2,870.72	8.70	▼ 0.30%
Dow Jones Industrial Average	25,828.36	138.97	▼ 0.54%
NASDAQ Composite	7,910.59	32.73	▼ 0.41%
DAX PERFORMANCE-INDEX	11,973.92	206.01	▼ 1.69%
ASX All Ordinaries	6,377.30	25.50	▲ 0.40%
NIKKEI 225	21,402.13	200.46	▼ 0.93%
HANG SENG INDEX	28,311.07	692.13	▼ 2.39%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9431	0.0021	▲ 0.22%
USD	0.6592	0.0015	▲ 0.23%
CNY	4.5000	0.0400	▲ 0.90%
EUR	0.5877	0.0003	▲ 0.05%
CAD	0.8881	0.0018	▲ 0.20%
GBP	0.5068	0.0012	▲ 0.24%
JPY	72.3290	0.0620	▼ 0.09%

NZ Interest Rates			
	Last	Change	

NZ OCR	1.50	0.25	▼ 14.29%
3-month Bank Bill	1.70		
5-year Swap	1.75		
10-year Swap	2.15		

Commodities Futures (Spot Price \$USD)			
	Last	Change	

Gold	1,284.40	3.00	▲ 0.23%
Silver	14.76	0.10	▼ 0.69%
Crude Oil	61.57	0.55	▼ 0.89%

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