



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 dips on easing US-China tensions

The New Zealand dollar was slightly weaker as the greenback benefited from reduced tensions between the US and China ahead of tomorrow's trade talks.

China remains open to agreeing to a partial trade deal with the United States, despite the inclusion of top Chinese artificial intelligence startups in a trade blacklist, Bloomberg reported.

The kiwi, meanwhile, was largely unmoved by minutes from the US Federal Reserve that showed most committee members supported the September rate cut but they remain divided on the way forward.

Seven of the Fed's 17 policymakers last month indicated they forecast one more rate cut this year. Five policymakers did not consider any more cuts were needed and the other five projected a rate rise by the end of 2019. Investors expect another rate cut at the next meeting on Oct. 29-30.

The New Zealand dollar was trading at 93.50 Australian cents from 93.62. It was unchanged at 67.64 yen, at 4.5865 Chinese yuan from 4.5089, at 51.51 British pence from 51.67 and at 57.32 euro cents from 57.56.

NZ shares fall as trade concerns resurface; Fonterra recovery pauses

New Zealand shares fell as fears over the US-China trade war re-emerged and weighed on investor confidence across the region. The Fonterra Shareholders' Fund's recent rally also took a breather.

Stocks across Asia were weaker as volatile investor sentiment turned sour, with the trade war between the US and China an ongoing concern. The US Commerce Department placed 28 Chinese companies on a list banning American firms from doing business with them, ahead of trade negotiations between the two nations on Thursday in Washington.

Singapore's Straits Times Index was down 0.4 percent in afternoon trading, while China's Shanghai Composite Index fell 0.2 percent and Australia's S&P/ASX 200 Index declined 0.8 percent.

The Fonterra Shareholders' Fund fell 2 percent to \$3.97 on a volume of 433,000 units, almost twice its 90-day average of 214,000. The fund had climbed 26 percent since unveiling a new strategy, putting its New Zealand assets squarely at the centre of its efforts to pursue value over volume.

Chorus fell 1.2 percent to \$5.04 in relatively light trading of 213,000 shares, compared to its 522,000 average. The network operator announced former NBN and Telstra executive JB Rousselot will take over as chief executive next month. The company also unveiled strong connection growth for the September quarter.

New Zealand Refining led the market lower, down 2.9 percent at \$2.02 on a volume of 166,000 shares, less than its 207,000 average. Skellerup Holdings posted the day's biggest gain, up 4.6 percent at \$2.30 on a volume of 163,000 shares, in line with its 171,000 average. The rubber goods manufacturer told shareholders at today's annual meeting that it was on track to achieve more earnings growth in the current financial year.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,813.48	77.76	▼	0.65%
S&P/NZX 50 Index	10,940.86	75.29	▼	0.68%
S&P/NZX MidCap Index	31,603.27	72.18	▼	0.23%
S&P/NZX SmallCap Index	61,580.39	7.26	▼	0.01%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,667.00	46.70	▼	0.70%
S&P/ASX 200	6,546.70	46.70	▼	0.71%
ASX Small Ordinaries	2,868.40	4.40	▼	0.15%
S&P/ASX MIDCAP 50	6,966.50	43.00	▼	0.61%
S&P/ASX 20	3,608.40	26.80	▼	0.74%

Foreign Markets Index				
	Last	Change		
S&P 500	2,919.40	26.34	▲	0.91%
Dow Jones Industrial Average	26,346.01	181.97	▲	0.70%
NASDAQ Composite	7,903.74	79.96	▲	1.02%
DAX PERFORMANCE-INDEX	12,094.26	124.06	▲	1.04%
ASX All Ordinaries	6,667.00	46.70	▼	0.70%
NIKKEI 225	21,456.38	131.40	▼	0.61%
HANG SENG INDEX	25,682.81	210.59	▼	0.81%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9354	-0.0006	▼	0.06%
USD	0.63	-0.0004	▼	0.06%
CNY	4.4890	-0.0110	▼	0.25%
EUR	0.57	-0.0015	▼	0.26%
CAD	0.8390	-0.0001	▼	0.01%
GBP	0.52	0.0000	▲	0.00%
JPY	67.6095	0.1780	▲	0.26%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.04			
5y Swap	0.85			
10y Swap	1.12			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,511.90	8.00	▲	0.53%
Silver	17.80	0.10	▲	0.56%
Crude Oil	52.66	0.03	▲	0.06%

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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