

MORNING REPORT

As at 8.50 AM 10/09/2018

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 shares fall as investors cash in August gains; Tourism Holdings, A2 drop

New Zealand shares fell for a third session, taking their weekly decline to 2.3 percent, as investors cashed in some of August's gains in what was a strong month for the local market. Tourism Holdings and a2 Milk Co declined.

The S&P/NZX 50 index decreased 6.21 points, or 0.1 percent, to 9,095.39. Within the index 20 stocks fell, 23 gained and seven were unchanged. Turnover was \$122 million.

The benchmark index hit a record on Aug. 29 and climbed 4.4 percent in the month as investors were buoyed by a relatively upbeat corporate earnings season. With global markets in a lull as traders await US President Donald Trump's decision on whether to impose a wider array of tariffs on Chinese goods, local investors have used the opportunity to cash in some of those gains.

"We've had a lull over the last week from what's been an all-time high," said Shane Solly, a portfolio manager at Harbour Asset Management. "It's still pretty good in the global scheme of things."

Solly said the market was having a "healthy pullback" and had absorbed "a couple of capital raisings" with the Macquarie-managed funds sell-down of Oceania Healthcare and shortfall bookbuild of Steel & Tube Holdings this week. Oceania was unchanged at \$1.13 and Steel & Tube gained 2.5 percent today.

NZ dollar near 2 1/2-year low as US wages creep higher, Trump poised to impose new tariffs

The New Zealand dollar held near a two-and-a-half year low as unexpectedly strong US wage growth spurred demand for the greenback and President Donald Trump's Chinese tariff plans kept investors uneasy.

The kiwi traded at 65.30 US cents as at 8am in Wellington from 65.33 cents on Friday in New York and down from 65.71 cents in Asia last week. The trade-weighted index was at 71.21 from 71.23 last week.

The US dollar index followed US Treasury yields higher after non-farm payrolls data showed average hourly earnings in August were 2.9 percent higher than a year earlier, more than economists forecast. That heightened expectations the Federal Reserve will raise the federal funds rate this month.

Meanwhile, Trump kept investors nervous about his trade plans. He said he could impose tariffs on an additional US\$200 billion of Chinese imports "very soon" and that there's a further US\$267 billion of imports "ready to go on short notice if I want". The trade war between the US and China has weighed on the Australian and New Zealand dollars, with the antipodean nations reliant on exporting to China.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,908.12	4.98	▼	0.05%
S&P/NZX 50 Index	9,095.39	6.21	▼	0.07%
S&P/NZX MidCap Index	26,005.81	63.38	▼	0.24%
S&P/NZX SmallCap Index	64,005.21	105.12	▲	0.16%
S&P/NZAX All Index	538.30	2.62	▲	0.49%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,252.30	15.50	▼	0.25%
S&P/ASX 200	6,143.80	16.60	▼	0.27%
ASX Small Ordinaries	2,803.70	8.20	▼	0.29%
S&P/ASX MIDCAP 50	7,017.30	8.40	▼	0.12%
S&P/ASX 20	3,380.40	11.40	▼	0.34%
Foreign Markets Index				
	Last	Change		
S&P 500	2,871.68	6.37	▼	0.22%
Dow Jones	25,916.54	79.33	▼	0.31%
NASDAQ Composite	7,902.54	20.18	▼	0.25%
DAX	11,959.63	4.38	▲	0.04%
ASX All Ordinaries	6,252.30	15.50	▼	0.25%
NIKKEI 225	22,307.06	180.88	▼	0.80%
HANG SENG INDEX	26,973.47	1.35	▼	0.01%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9202	0.0007	▲	0.08%
USD	0.6534	#VALUE!		#VALUE!
CNY	4.4710	#VALUE!		#VALUE!
EUR	0.5657	0.0001	▲	0.02%
CAD	0.8603	0.0006	▲	0.07%
GBP	0.5056	0.0002	▼	0.04%
JPY	72.5050	0.0300	▼	0.04%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.28			
10-year Swap	2.80			
Commodities Futures				
	Last	Change		
Gold	1,201.80	2.50	▼	0.21%
Silver	14.22	0.03	▲	0.24%
Crude Oil	67.86	0.09	▲	0.13%

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 / NZ: 0800 474 669