

MORNING REPORT

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Top News

NZ shares rise in quiet trading ahead of earnings season

New Zealand shares gained in the run-up to corporate earnings season, with Contact Energy the first major company out of the blocks on Monday. Australian results have been mixed so far this week.

The S&P/NZX 50 index rose 43.1 points, or 0.5 percent, to 9,176.61. Within the index, 24 stocks gained, 20 fell, and six were unchanged. Turnover was \$101 million, with eight companies clocking in volumes of more than a million shares.

Matt Goodson, managing director at Salt Funds Management, said Australia's reporting season had been mixed so far, but that it really gets underway on both sides of the Tasman next week.

"It's been reasonably quiet here this week," he said.

Contact Energy is expected to post a record first-half result on Monday by Forsyth Barr analyst Andrew Harvey-Green, driven by strong hydro generation and high wholesale electricity prices. The shares rose for a third day, up 1.1 percent at \$6.22 today, the highest close since February 2015. Its volume was lighter than usual at 735,000.

NZ dollar trades in tight range as investors grow nervous over US-China trade

The New Zealand dollar stuck to a tight trading range as investors remain pessimistic over the ability of US and Chinese trade negotiators to find common ground before their March deadline.

The kiwi traded at 67.40 US cents at 8am in Wellington from 67.44 cents on Friday in New York and 67.50 cents in Asia last week. The trade-weighted index was at 73.11 from 73.15 last week.

Investors had hoped the trade talks would make some headway last week, but that optimism was dashed when US President Donald Trump said he wouldn't meet his Chinese counterpart, Xi Jinping, before new tariffs are imposed on China next month. The trade stoush between the world's two biggest economies has weighed on financial markets, with traders fearing it would trigger a global economic slowdown and crimp corporate earnings.

Investor sentiment was also weighed down by US policymakers failing to agree on a new budget. The US Federal government shut down for a record 35 days at the start of this year, as the Democrat-controlled Congress refused to fund Trump's planned wall on the Mexican border.

"Global markets traded with a risk-off tone for most of Friday after Trump said he wasn't planning to meet President Xi before US tariffs on China are due to step-up" in early March, Bank of New Zealand interest rate strategist Nick Smyth said in a note. "The NZD was little changed on the day, but NZ rates experienced another sizable fall, with the 10 year NZ government bond yield hitting a record low level."

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,946.97	42.98	▲ 0.43%
S&P/NZX 50 Index	9,176.61	43.10	▲ 0.47%
S&P/NZX MidCap Index	26,557.13	37.27	▲ 0.14%
S&P/NZX SmallCap Index	57,807.50	343.49	▼ 0.59%
S&P/NZAX All Index	537.73	0.00	▲ 0.00%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,136.20	22.90	▼ 0.37%
S&P/ASX 200	6,071.50	21.00	▼ 0.34%
ASX Small Ordinaries	2,657.70	16.80	▼ 0.63%
S&P/ASX MIDCAP 50	6,529.80	39.60	▼ 0.60%
S&P/ASX 20	3,401.40	4.40	▼ 0.13%

Foreign Markets Index			
	Last	Change	
S&P 500	2,707.88	1.83	▲ 0.07%
Dow Jones	25,106.33	63.17	▼ 0.25%
NASDAQ Composite	7,298.20	9.85	▲ 0.14%
DAX	10,906.78	115.22	▼ 1.05%
ASX All Ordinaries	6,136.20	22.90	▼ 0.37%
NIKKEI 225	20,333.17	418.13	▼ 2.01%
HANG SENG INDEX	27,946.32	43.88	▼ 0.16%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9507	0.0007	▼ 0.07%
USD	0.6741	0.0005	▼ 0.07%
CNY	4.5510	0.0000	0.00%
EUR	0.5953	0.0005	▼ 0.08%
CAD	0.8945	0.0014	▼ 0.16%
GBP	0.5207	0.0007	▼ 0.13%
JPY	73.9650	0.0600	▼ 0.08%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	1.95	
10-year Swap	2.40	

Commodities Futures			
	Last	Change	
Gold	1,318.20	4.00	▲ 0.30%
Silver	15.82	0.11	▲ 0.71%
Crude Oil	52.71	0.07	▲ 0.13%

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