

MORNING REPORT

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Top News

NZ shares fall; Sky routed on lost cricket rights

New Zealand shares fell as Sky Network Television was routed by the loss of its rights to broadcast domestic cricket matches, the stock slumping to an all-time low in heavy trading.

The S&P/NZX 50 Index declined 54.13 points, or 0.5 percent, to 10,886.73. Within the index, 27 stocks fell, 19 rose, and four were unchanged. Turnover was \$145.3 million.

Sky sank 20.7 percent to 88 cents on a volume of 3.3 million shares, more than four times its 90-day average of 814,000. The pay-TV operator lost the rights to broadcast cricket played domestically after being outbid by rival Spark New Zealand at a time when Sky's market value of \$365 million hinders its ability to make big offers without having to ask shareholders for permission.

"They may have to increase what they pay for other content to hang on to it and it does create a real question mark for the business," said Shane Solly, a portfolio manager at Harbour Asset Management. Sky will ask shareholders for greater freedom when bidding to retain the SAANZAR rugby rights, which end late 2020, at next week's annual meeting.

Spark fell 2.9 percent to \$4.48 on a volume of 2.5 million shares, less than its 3.1 million average. The telecommunications company's gambit for cricket comes at a time when its ability to live-stream sports has been questioned by unhappy customers of its Rugby World Cup coverage. It has attracted 186,000 subscribers.

NZ dollar falls against British pound on Irish Brexit optimism

The New Zealand dollar tumbled against the British pound after Ireland's prime minister said a Brexit deal by Oct. 31 is possible.

The kiwi was trading at 50.77 British pence at 8am in Wellington from 51.62 at 5pm yesterday after Irish Prime Minister Leo Varadkar said a Brexit deal was possible after he met with British Prime Minister Boris Johnson.

"On the timeline question, I think it is possible for us to come to an agreement, to have a treaty agreed to allow the UK to leave the EU in an orderly fashion and to have that done by the end of October. But there is many a slip between cup and lip and lots of things that are not in my control," he said according to the Financial Times.

"Sterling soared as PM Johnson and his Irish counterpart Varadkar announced that they could see a pathway to a possible deal," said ANZ FX/rates strategist Sandeep Parekh. The two leaders published a joint communique that said they held a "detailed and constructive discussion" and they both agreed that "a deal is in everyone's interest."

The kiwi also held its gains against the greenback on some positive sentiment around the US-China trade talks as high-level meetings kicked off in Washington.

The kiwi was trading at 63.14 US cents, unchanged from 5pm yesterday. The trade-weighted index was at 70.37 from 70.43.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,758.28	55.96	▼ 0.47%
S&P/NZX 50 Index	10,886.73	54.13	▼ 0.49%
S&P/NZX MidCap Index	31,584.37	18.91	▼ 0.06%
S&P/NZX SmallCap Index	61,712.39	41.14	▲ 0.07%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,662.90	4.10	▼ 0.06%
S&P/ASX 200	6,547.10	0.40	▲ 0.01%
ASX Small Ordinaries	2,848.60	19.80	▼ 0.69%
S&P/ASX MIDCAP 50	6,961.80	4.70	▼ 0.07%
S&P/ASX 20	3,616.90	8.50	▲ 0.24%

Foreign Markets Index			
	Last	Change	
S&P 500	2,941.04	21.64	▲ 0.74%
Dow Jones	26,515.22	169.21	▲ 0.64%
NASDAQ Composite	7,959.03	55.29	▲ 0.70%
DAX	12,164.20	69.94	▲ 0.58%
ASX All Ordinaries	6,662.90	4.10	▼ 0.06%
NIKKEI 225	21,551.98	95.60	▲ 0.45%
HANG SENG INDEX	25,707.93	25.12	▲ 0.10%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9344	-0.0011	▼ 0.12%
USD	0.63	0.0027	▲ 0.43%
CNY	4.4960	0.0100	▲ 0.22%
EUR	0.57	0.0008	▲ 0.14%
CAD	0.8399	0.0010	▲ 0.12%
GBP	0.51	-0.0084	▼ 1.66%
JPY	68.2035	0.6025	▲ 0.88%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.03	
5y Swap	0.87	
10y Swap	1.14	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,498.50	14.30	▼ 0.95%
Silver	17.55	0.26	▼ 1.46%
Crude Oil	53.68	1.09	▲ 2.07%

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