

MORNING REPORT

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Top News

NZ dollar trading water ahead of ECB meeting

The New Zealand dollar was largely range-bound against the euro as markets await the European Central Bank meeting later in the global trading day.

The kiwi was trading at 58.14 euro cents at 8am in Wellington from 58.21 euro cents at 5pm and at 64.19 US cents from 64.31 cents.

The ECB is due to meet overnight and is expected to cut interest rates deeper into negative territory and possibly restart asset purchases.

According to Reuters, ECB policymakers are leaning toward a stimulus package that includes a rate cut, a beefed-up pledge to keep rates low for longer and compensation for banks over the side-effects of negative rates.

The kiwi was trading at 51.98 British pence from 52.11 British pence. According to Callaghan, sterling was a touch stronger as UK wage and unemployment data beat estimates.

NZ shares fall in light trading; power companies come off the boil

New Zealand shares fell with the major electricity generator-retailers giving up some of their recent gains. Air New Zealand led the market lower. The major power companies fell, having hit records in recent weeks as the attraction of a reliable dividend prompted investors to bid up the prices at a time when ultra-low interest rates deter investment in fixed interest assets.

Contact Energy fell 1.8 percent to \$8.77, Genesis Energy was down 0.7 percent at \$3.61, Meridian Energy declined 1.7 percent to \$5.35 on a volume of 1.8 million shares, and Mercury NZ decreased 1 percent to \$5.54 with 1.1 million shares changing hands.

Air New Zealand led the market lower, down 3.5 percent at \$2.76 on a volume of 1.3 million shares, more than its 90-day average of 728,000. A2 Milk fell 2 percent to \$14.60 and Vista Group International was down 1.7 percent at \$4.16. Auckland International Airport dipped 0.1 percent to \$9.50 and Fisher & Paykel Healthcare decreased 0.9 percent to \$17.35.

Williamson said there was little domestic news to push the local market around, and investors took their cues from overseas leads with Wall Street flat overnight and Asian markets mixed. In recent months, the local market has attracted strong demand when Australia's market opened.

Tourism Holdings rose 4.6 percent to a six-week high \$4.12 on a volume of 160,000 shares, in line with its average of 153,000. Fletcher Building was up 3.1 percent at \$4.97 on a volume of 1.6 million shares. Both companies are contending with underperforming units.

Outside the benchmark index, Cannasouth rose as high as 84 cents before sliding back to 54 cents. The stock ended down 28 percent on the day after the NZX issued a 'please explain' notice on why the stock price had soared 85 percent during the course of a week. The medicinal cannabis research firm said it complied with the listing rules. It traded on a volume of 2.9 million shares, the most since its listing in June.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	12,013.56	67.97	▼ 0.56%
S&P/NZX 50 Index	11,142.58	61.63	▼ 0.55%
S&P/NZX MidCap Index	31,560.08	97.63	▼ 0.31%
S&P/NZX SmallCap Index	60,204.59	340.90	▼ 0.56%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,728.00	32.10	▼ 0.47%
S&P/ASX 200	6,614.10	33.90	▼ 0.51%
ASX Small Ordinaries	2,872.40	14.00	▼ 0.49%
S&P/ASX MIDCAP 50	7,078.40	45.90	▼ 0.64%
S&P/ASX 20	3,661.20	12.00	▼ 0.33%

Foreign Markets Index			
	Last	Change	
S&P 500	2,979.39	0.96	▲ 0.03%
Dow Jones Industrial Average	26,909.43	73.92	▲ 0.28%
NASDAQ Composite	8,084.16	3.28	▼ 0.04%
DAX PERFORMANCE-INDEX	12,268.71	42.61	▲ 0.35%
ASX All Ordinaries	6,728.00	32.10	▼ 0.47%
NIKKEI 225	21,392.10	73.68	▲ 0.35%
HANG SENG INDEX	26,683.68	2.28	▲ 0.01%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9362	0.0001	▲ 0.01%
USD	0.64	0.0003	▲ 0.05%
CNY	4.5680	0.0000	▲ 0.00%
EUR	0.58	0.0002	▲ 0.03%
CAD	0.8458	0.0012	▲ 0.14%
GBP	0.52	0.0001	▲ 0.02%
JPY	69.1095	0.0500	▲ 0.07%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.15	
5y Swap	1.05	
10y Swap	1.34	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,493.80	17.30	▼ 1.14%
Silver	18.09	0.08	▼ 0.42%
Crude Oil	57.87	0.02	▲ 0.03%

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