

# MORNING REPORT

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## Top News

### NZ shares snap six-day decline as retirement stocks claw back losses

New Zealand shares snapped a six-day decline, with retirement stocks clawing back some of their recent losses since Summerset Group's observation that a slowing property market had dented unit sales.

The S&P/NZX 50 Index advanced 58.64 points, or 0.6 percent, to 9,766.6. Within the index, 29 stocks rose, 15 fell, and six were unchanged. Turnover was \$122.4 million.

Summerset climbed 3.3 percent to \$5.71. The retirement village operator fell to a 14-month low after it last week said slower Auckland and Christchurch property markets had contributed to a decline in first-quarter unit sales.

That negative tone spilled over to other retirement village operators, and they also regained some of their recent losses. Metlifecare increased 2.7 percent to \$4.59 and Ryman Healthcare edged up 0.1 percent to \$11.51. Arvida Group was unchanged at \$1.31.

"There's been a bounceback in retirement names after a fairly heavy week following on from Summerset's update," said James Lindsay, a portfolio manager at Nikko Asset Management.

Aged-care operator Oceania Healthcare - which is outside the benchmark index - provided an update to investors on its development plans, which seeks to deliver an average of 250 new residences every year. The shares were unchanged at \$1.

Lindsay said Oceania operates a different model to the retirement village operators although it has some components linked to the property market. Today's update offered some relief to investors.

### NZD falls after Orr says next rate decision not clear; US labour data strong

The New Zealand dollar fell against the greenback after the central bank governor kept the door open for a May rate cut and as strong US labour market data eased fears of a possible slowdown in the economy there.

The kiwi was trading at 67.28 US cents at 8am in Wellington from 67.62 at 5am. The trade-weighted index was at 73.02 points from 73.24.

"It is a really mixed picture, it's just hard," Orr said in an interview with Bloomberg in Wellington on Thursday. "I don't know yet" whether there will be a cut in May, he said.

Markets were surprised last month when the central bank switched to an easing bias saying its next move would likely be a rate cut. Next month's decision will be the first to be made by the central bank's new Monetary Policy Committee, which includes four internal members and three external members. Orr reiterated in the interview that the starting point for that committee will be the RBNZ's latest policy stance.

The interview "promoted some initial negativity wobbles," in the New Zealand dollar, said Mike Shirley, a senior dealer at Kiwibank. However, "it wasn't really a kiwi dollar weakness story, it was more a US dollar strength story," he said.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,577.57	63.68	▲	0.61%
S&P/NZX 50 Index	9,766.60	58.64	▲	0.60%
S&P/NZX MidCap Index	28,252.55	158.53	▲	0.56%
S&P/NZX SmallCap Index	58,782.15	93.68	▲	0.16%
S&P/NZAX All Index	628.36	1.14	▲	0.18%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,294.10	22.40	▼	0.35%
S&P/ASX 200	6,198.70	24.80	▼	0.40%
ASX Small Ordinaries	2,780.40	9.60	▼	0.34%
S&P/ASX MIDCAP 50	6,671.00	30.40	▼	0.45%
S&P/ASX 20	3,449.10	18.00	▼	0.52%
Foreign Markets Index				
	Last	Change		
S&P 500	2,888.32	0.11	▲	0.00%
Dow Jones	26,143.05	14.11	▼	0.05%
NASDAQ Composite	7,947.36	16.88	▼	0.21%
DAX	11,935.20	29.29	▲	0.25%
ASX All Ordinaries	6,294.10	22.40	▼	0.35%
NIKKEI 225	21,711.38	23.81	▲	0.11%
HANG SENG INDEX	29,839.45	280.11	▼	0.93%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9449	0.0017	▲	0.18%
USD	0.6729	0.0034	▼	0.50%
CNY	4.5220	0.0190	▼	0.42%
EUR	0.5979	0.0019	▼	0.32%
CAD	0.9000	0.0008	▼	0.09%
GBP	0.5154	0.0014	▼	0.27%
JPY	75.1215	0.0630	▲	0.08%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.88			
5-year Swap	1.83			
10-year Swap	2.25			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,295.60	18.30	▼	1.39%
Silver	14.91	0.33	▼	2.16%
Crude Oil	63.72	0.89	▼	1.38%

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