

# MORNING REPORT

As at 8.53 AM 12/06/2019

Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

## Top News

### NZ shares follow ASX higher on optimism over US trade deal

New Zealand shares followed Australian stocks higher as traders across the Tasman returned from a long weekend more optimistic after the US administration made trade-friendly noises in recent days. Exporter A2 Milk led the local market higher.

The S&P/NZX 50 Index rose 111.54 points, or 1.1 percent, to 10,139.15. Within the index, 30 stocks gained, 15 fell, and five were unchanged. Turnover was \$118.5 million.

The local market lagged behind its Australian counterpart. The S&P/ASX 200 Index was up 1.5 percent in late trading, with investors returning to work after the US put off imposing tariffs on Mexican goods. The prospect of the Federal Reserve cutting US interest rates to offset the impact of the White House's combative trade stance had also buoyed global equity markets.

New Zealand's equity market was unusually quiet yesterday with Australian markets closed for the Queen's Birthday holiday. The NZX was one of just two benchmark indices to decline across Asia yesterday.

"It's all about trade between the US and anybody else," said Grant Davies, an investment advisor at Hamilton Hindin Greene. "That's where the market's looking."

The New Zealand dollar dropped below 66 US cents as the greenback rallied on speculation that a trade deal may be struck between the US and China. That supported exporters, which reap bigger earnings in kiwi dollars when the currency is weak.

### NZ dollar lower as USD gains on upbeat data; focus on trade, FOMC

The New Zealand dollar was slightly lower after improving US data buoyed the greenback and amid caution ahead of the Federal Reserve's next policy meeting and ongoing US-China trade tensions.

The kiwi was trading at 65.81 US cents at 7:50 am versus 65.94 US cents at 5pm in Wellington. The trade-weighted index eased to 72.19 points from 72.39.

The US dollar got a lift after business confidence data was better than expected and the producer prices index data was also firm.

"The kiwi continues to dribble lower as upbeat US data helps the USD strengthen," said ANZ FX/Rates strategist Sandeep Parekh.

The National Federation of Independent Business index of US small business confidence rose to 105.0 for May, its highest level in eight months and up from 103.5 in April.

US producer prices excluding food, energy and trade services rose 0.4 percent last month, matching April's gain, the government said. The so-called core PPI increased 2.3 percent in the 12 months through May after rising 2.2 percent in April. The producer price index for final demand edged up 0.1 percent after gaining 0.2 percent in April, in line with expectations.

ANZ's Parekh said markets are now focused on what the Federal Reserve will make of the mixed global and domestic environment.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,954.70	111.96	▲	1.03%
S&P/NZX 50 Index	10,139.15	109.66	▲	1.09%
S&P/NZX MidCap Index	29,034.15	160.57	▲	0.56%
S&P/NZX SmallCap Index	59,359.88	189.43	▼	0.32%
S&P/NZAX All Index	556.53	0.00	▲	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,624.40	99.20	▲	1.52%
S&P/ASX 200	6,546.30	102.40	▲	1.59%
ASX Small Ordinaries	2,834.10	43.80	▲	1.57%
S&P/ASX MIDCAP 50	6,851.00	84.70	▲	1.25%
S&P/ASX 20	3,674.80	62.60	▲	1.73%
Foreign Markets Index				
	Last	Change		
S&P 500	2,885.72	1.01	▼	0.03%
Dow Jones	26,048.51	14.17	▼	0.05%
NASDAQ Composite	7,822.57	0.60	▼	0.01%
DAX	12,155.81	110.43	▲	0.92%
ASX All Ordinaries	6,624.40	99.20	▲	1.52%
NIKKEI 225	21,204.28	69.86	▲	0.33%
HANG SENG INDEX	27,789.34	210.70	▲	0.76%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9457	-0.0036	▼	0.38%
USD	0.66	-0.0024	▼	0.36%
CNY	4.5510	-0.0320	▼	0.70%
EUR	0.58	-0.0029	▼	0.50%
CAD	0.8744	-0.0023	▼	0.26%
GBP	0.52	-0.0033	▼	0.64%
JPY	71.4380	-0.2225	▼	0.31%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.50			
3m Bank Bill	1.61			
5y Swap	1.55			
10y Swap	1.93			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,330.60	1.30	▲	0.10%
Silver	14.73	0.09	▲	0.59%
Crude Oil	53.07	0.19	▼	0.36%

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](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

**Contact Equity Investment Advisers today.**  
 Tel: +64 (9)304 0145 / NZ: 0800 474 669