



## MORNING REPORT

As at 9.15 AM 13/06/2019

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 dollar gains against Aussie ahead of Australian jobs data

The New Zealand dollar gained against the Aussie ahead of jobs data due across the Tasman today.

ANZ expects the federal election likely boosted employment in the month, contributing to a slightly lower unemployment rate of 5.1 percent. Economists polled by Bloomberg are expecting an unemployment rate of 5.1 percent and a participation rate of 65.8.

The kiwi was steady against the US dollar as markets took weaker US inflation data in its stride ahead of next week's rate decision from the Federal Reserve. US May CPI eased to 1.8 percent year-on-year versus an expected 1.9 percent. The core inflation measure was 2.0 percent versus an expected 2.1 percent.

Meanwhile, US-China trade tensions remain a key focus with US President Donald Trump saying he has a "feeling" a deal can be reached, according to Reuters. Speaking to reporters at the White House, Trump also reiterated his intention to meet with Chinese President Xi Jinping but gave no further details.

#### NZ shares outperform Asia as Synlait, Air NZ recover

New Zealand shares were among the best performers across Asia Pacific, led by recoveries in Synlait Milk and Air New Zealand on relatively light volumes.

The local benchmark was second only to Pakistan's Karachi 100 Index, which was up 1.1 percent in early trading, as investors continue to ponder the impact of the ongoing US-China trade stoush. Presidents Donald Trump and Xi Jinping will meet later this month at a G20 leaders' meeting where it's hoped they will reach a deal and soothe international fears that a prolonged dispute will slow global growth.

Synlait led the market higher, up 4.9 percent at \$9.70 on 46,000 shares, less than half its 90-day average of 126,000. McIntyre said the stock was recovering from the recent sell-off on fears that it won't be able to open its largely finished facility in Pokeno.

Air New Zealand rose 2.9 percent to \$2.685 on a volume of 466,000 shares, less than half its 1.2 million average. McIntyre said the stock's dividend yield - currently 11.7 percent - was attractive for investors.

Auckland International Airport was the most traded stock on a volume of 2.1 million shares, almost twice its 1.3 million average. The airport operator rose 0.7 percent to a record \$8.92 and is the third-biggest company by market capitalisation at \$10.77 billion.

A2 Milk is the second biggest at \$10.8 billion and rose 1.2 percent to \$14.82. Meridian Energy remains the biggest at \$11.4 billion, rising 0.1 percent to \$4.44 on a volume of 1.9 million shares.

Fonterra Shareholders' Fund units fell 1 percent to \$3.91 and Vital Healthcare Property Trust was down 0.8 percent at \$2.40.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,022.60	67.60	▲	0.62%
S&P/NZX 50 Index	10,205.14	65.99	▲	0.65%
S&P/NZX MidCap Index	29,198.20	164.05	▲	0.57%
S&P/NZX SmallCap Index	59,196.59	203.57	▼	0.34%
S&P/NZAX All Index	556.53	0.00	▲	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,628.90	4.50	▲	0.07%
S&P/ASX 200	6,543.70	2.60	▼	0.04%
ASX Small Ordinaries	2,865.40	31.30	▲	1.10%
S&P/ASX MIDCAP 50	6,860.80	9.80	▲	0.14%
S&P/ASX 20	3,664.00	10.80	▼	0.29%
Foreign Markets Index				
	Last	Change		
S&P 500	2,879.84	5.88	▼	0.20%
Dow Jones Industrial Average	26,004.83	43.68	▼	0.17%
NASDAQ Composite	7,792.72	29.85	▼	0.38%
DAX PERFORMANCE-INDEX	12,115.68	40.13	▼	0.33%
ASX All Ordinaries	6,628.90	4.50	▲	0.07%
NIKKEI 225	21,129.72	74.56	▼	0.35%
HANG SENG INDEX	27,308.46	480.88	▼	1.73%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9486	0.0000	▲	0.00%
USD	0.66	0.0003	▲	0.05%
CNY	4.5460	0.0000	▲	0.00%
EUR	0.58	0.0000	▲	0.00%
CAD	0.8773	0.0004	▲	0.05%
GBP	0.52	0.0000	▲	0.00%
JPY	71.3445	0.0425	▲	0.06%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.50			
3m Bank Bill	1.60			
5y Swap	1.54			
10y Swap	1.91			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,337.20	6.00	▲	0.45%
Silver	14.76	0.02	▲	0.14%
Crude Oil	51.08	2.19	▼	4.11%

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[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