

MORNING REPORT

As at 8.45 AM 13/03/2019

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Top News

NZ shares edge up as defensive stocks remain in favour; Restaurant Brands gains

New Zealand shares edged up as defensive stocks such as utilities remained attractive to investors in an uncertain global environment. Restaurant Brands New Zealand rose as its suitor declared a partial takeover unconditional.

The S&P/NZX 50 Index increased 6.4 points, or 0.1 percent, to 9,397.25. Within the index, 21 stocks rose, 21 fell, and eight were unchanged. Turnover was \$159.9 million.

The benchmark index remained underpinned by companies held for their reliable earnings and dividends. Chorus rose 1.5 percent to a record close of \$5.58 on a bigger than normal volume of 1.5 million shares. Contact Energy increased 0.5 percent to \$6.48 on a volume of 2.3 million and Mercury NZ was up 0.8 percent at \$3.70 on a bigger than usual 803,000 shares.

"The same themes have been playing out for the last couple of weeks," said Rickey Ward, New Zealand equities manager at JBWere. "It doesn't suggest that people are frightened, they're just a little bit wary."

Sky Network Television led the market higher, up 4 percent at \$1.30, having hit an all-time low yesterday. The pay-TV operator's volume of 3 million was more than its 594,000 90-day average.

Fletcher Building was another that recovered from a recent sell-off, gaining 1.9 percent at \$4.77. The 521,000 shares that changed hands were less than a third of its average volume. Ward said Fletcher's indication that it may re-enter vertical construction has raised concerns among some investors, given the losses on its Building + Interiors division in recent years.

NZ dollar higher against British pound on Brexit jitters

The New Zealand dollar was higher against the British pound on mounting speculation UK Prime Minister Theresa May is heading for a Brexit defeat.

The kiwi was trading at 52.51 British pence at 7:45am in Wellington from 51.77 British pence at 5pm in Wellington yesterday. It was at 68.72 US cents from 68.41 US cents after tame US inflation data added to the view the US Federal Reserve has plenty of time before it needs to raise rates again.

Ahead of the vote on the deal in parliament - due 8am NZ time - May had failed to win over the main Brexit faction in her own party. Northern Ireland's Democratic Unionist Party, which props up her minority government, also said it would vote "no," according to Reuters.

May had received last-minute assurances on the treatment of the Northern Irish border from European Commission President Jean-Claude Juncker late Monday. However, attorney general Geoffrey Cox said the assurances she had been given still meant the United Kingdom could be locked in the bloc's orbit after Brexit. The pound tumbled in response.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,183.55	2.45	▲	0.02%
S&P/NZX 50 Index	9,397.25	3.63	▲	0.04%
S&P/NZX MidCap Index	27,045.78	1.65	▲	0.01%
S&P/NZX SmallCap Index	58,368.30	199.47	▼	0.34%
S&P/NZAX All Index	560.54	7.67	▲	1.39%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,260.60	2.70	▼	0.04%
S&P/ASX 200	6,174.80	5.40	▼	0.09%
ASX Small Ordinaries	2,766.70	3.20	▼	0.12%
S&P/ASX MIDCAP 50	6,669.80	5.00	▲	0.08%
S&P/ASX 20	3,442.50	1.70	▼	0.05%
Foreign Markets Index				
	Last	Change		
S&P 500	2,793.73	10.43	▲	0.37%
Dow Jones	25,579.11	71.77	▼	0.28%
NASDAQ Composite	7,594.20	36.13	▲	0.48%
DAX	11,524.17	19.31	▼	0.17%
ASX All Ordinaries	6,260.60	2.70	▼	0.04%
NIKKEI 225	21,503.69	378.60	▲	1.79%
HANG SENG INDEX	28,920.87	417.57	▲	1.46%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9695	0.0033	▲	0.34%
USD	0.6869	0.0037	▲	0.54%
CNY	4.6100	0.0180	▲	0.39%
EUR	0.6079	0.0004	▲	0.07%
CAD	0.9179	0.0029	▲	0.32%
GBP	0.5234	0.0041	▲	0.79%
JPY	76.4400	0.4660	▲	0.61%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	1.98			
10-year Swap	2.38			
Commodities Futures				
	Last	Change		
Gold	1,301.30	10.20	▲	0.79%
Silver	15.40	0.20	▲	1.34%
Crude Oil	56.94	0.15	▲	0.26%

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www.equity.co.nz E-mail: Info@equity.co.nz

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