



MORNING REPORT

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

Top News

NZ weaker as ECB package, inflation data lifts greenback

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The ECB decision to cut its deposit rate by 10 basis points and the relaunch of its asset purchase programme - a form of quantitative easing - at a monthly pace of 20 billion euros from Nov. 1 was in line with most expectations.

The euro pared some of its losses on news that several members of the ECB governing council were opposed to some of the new stimulus programme. According to Bloomberg, France, Germany and the Netherlands weren't in favour of restarting quantitative easing. The kiwi was trading at 57.88 euro cents from 58.43 late yesterday.

The greenback, however, was also supported by data from the US Bureau of Labor Statistics that showed that core inflation - which strips out food and energy - was up 2.4 percent over the year.

Z Energy, Synlait crash on earnings downgrades

New Zealand shares fell as investors punished fuel retailer Z Energy and dairy processor Synlait Milk for earnings downgrades.

The S&P/NZX 50 Index was 19.82 points, or 0.2 percent, lower at 10,905.06. Within the index, 26 stocks fell, 22 rose, and two were unchanged. Turnover was \$121.5 million, of which Z accounted for \$17.3 million and Synlait \$5 million.

Z Energy led the market lower after cutting its earnings guidance by \$60 million, most of which it blamed on "unprecedented" discounting among petrol retailers, coinciding with the Commerce Commission's market study of the sector. The stock slumped 9.8 percent to an eight-month low \$5.68 on a volume of 3 million, more than four times its 90-day average of 619,000. It was the most traded stock today.

Synlait was close behind, dropping 9.2 percent to a three-month low \$8.75 on volume of 564,000 shares, well up on its 90,000 daily average. The milk processor lifted annual profit by 10 percent as revenue cracked a billion dollars for the first time, but disappointed analysts with its 2020 forecast.

A2 Milk declined 1.7 percent to \$14.28. Synlait noted A2 had negotiated better prices during the July 2019 financial year. Fonterra Shareholders' Fund units were down 1.9 percent at \$3.17.

Mercury NZ was down 0.6 percent, or 3 cents, at \$5.30 after shedding rights to a 9.3 cent per share dividend on a volume of 1 million shares. Precinct Properties New Zealand, STride Property, Freightways, Vista Group International and Metlifecare all moved lower as they shed dividends.

NZX Index

Index	Last	Change
S&P/NZX All Index	11,760.94	36.26 ▼ 0.31%
S&P/NZX 50 Index	10,905.06	31.91 ▼ 0.29%
S&P/NZX MidCap Index	31,145.48	104.00 ▼ 0.33%
S&P/NZX SmallCap Index	60,162.30	228.29 ▼ 0.38%

ASX Index

Index	Last	Change
ASX All Ordinaries	6,765.70	13.50 ▲ 0.20%
S&P/ASX 200	6,654.90	16.90 ▲ 0.25%
ASX Small Ordinaries	2,883.20	0.40 ▼ 0.01%
S&P/ASX MIDCAP 50	7,104.10	1.60 ▲ 0.02%
S&P/ASX 20	3,693.00	11.50 ▲ 0.31%

Foreign Markets Index

	Last	Change
S&P 500	3,009.57	8.64 ▲ 0.29%
Dow Jones Industrial Average	27,182.45	45.41 ▲ 0.17%
NASDAQ Composite	8,194.47	24.79 ▲ 0.30%
DAX PERFORMANCE-INDEX	12,410.25	51.18 ▲ 0.41%
ASX All Ordinaries	6,765.70	13.50 ▲ 0.20%
NIKKEI 225	21,759.61	161.85 ▲ 0.75%
HANG SENG INDEX	27,087.63	71.43 ▼ 0.26%

Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9336	-0.0009 ▼ 0.10%
USD	0.64	-0.0007 ▼ 0.11%
CNY	4.5390	0.0000 ▲ 0.00%
EUR	0.58	-0.0031 ▼ 0.54%
CAD	0.8462	0.0000 ▲ 0.00%
GBP	0.52	0.0000 ▲ 0.00%
JPY	69.2685	0.1130 ▲ 0.16%

NZ Interest Rates

	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.14	
5y Swap	1.10	
10y Swap	1.42	

Commodities Futures (Spot Price \$USD)

	Last	Change
Gold	1,506.80	3.60 ▲ 0.24%
Silver	18.03	0.00 ▲ 0.01%
Crude Oil	55.12	0.63 ▼ 1.13%

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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