

MORNING REPORT

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Top News

NZ stocks edge higher: Ebos, Auckland Airport, Mainfreight hit records

New Zealand shares shook off soft international leads, edging higher as blue-chip stocks including Ebos Group, Auckland International Airport and Mainfreight all hit records.

The S&P/NZX 50 Index increased 18.67 points, or 0.2 percent, to 10,223.81. Within the index, 27 stocks gained, 16 fell, and seven were unchanged. Turnover was \$107.4 million.

The benchmark index was one of just five across Asia Pacific in positive territory after a lacklustre night on Wall Street. The prospect of lower US interest stoking demand for equities has been tempered by fears that the US-China trade stoush will slow global growth.

"Those soft leads have been enough to put a dampener on the market for the day," said Grant Davies, an investment advisor at Hamilton Hindin Greene.

Ebos hit a record \$23.40. It ended the day at \$23.18, up 1.7 percent on a volume of 86,000 shares, against its 90-day average of 100,000. Mainfreight increased 1 percent to a record \$39.80 on a volume of 67,000, more than its usual 49,000, while Auckland International Airport closed at an all-time high \$9, up 0.9 percent, on a volume of 997,000.

Those three companies are among blue-chip stocks that remain in favour on the NZX. Utilities and property investment firms are all trading at or near record highs, due to the attraction of reliable dividends in a low interest rate environment.

NZ dollar range-bound as rate cut speculation continues

The kiwi kept to a tight range as weak data in the US and Australia fuelled speculation of possible rate cuts in those economies.

The New Zealand dollar was trading at 65.65 US cents at 8am in Wellington from 65.70 US cents at 5pm yesterday. The trade-weighted index was at 72.19 points from 72.22.

In the US, a fall in import prices to the lowest level in five months supports the case for the Federal Reserve to cut interest rates this year, ANZ Bank says. Import prices for May were down 0.3 percent and the April data was also revised down. There was also a lift in US jobless numbers, with the four-week moving average of claims increasing by 2,500 last week.

The kiwi largely held its gains against the Aussie, after mixed jobs data in Australia yesterday bolstered speculation that the central bank will cut rates again soon.

While annual employment growth was strong, the "breakdown of that employment growth was less encouraging," said Capital Economics. It noted that much of the lift was in part-time jobs, which means the underutilisation rate remains high. The kiwi was trading at 94.97 Australian cents from 95.08.

Domestic data today includes house sales from the Real Estate Institute of New Zealand, manufacturing data and food prices. China industrial production and retail sales data tonight will provide a guide as to the impact the current trade woes with the US are having on Chinese firms.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,044.31	12.79	▲	0.12%
S&P/NZX 50 Index	10,223.81	10.18	▲	0.10%
S&P/NZX MidCap Index	29,329.36	124.84	▲	0.43%
S&P/NZX SmallCap Index	59,369.34	172.75	▲	0.29%
S&P/NZAX All Index	558.99	2.46	▲	0.44%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,619.10	9.80	▼	0.15%
S&P/ASX 200	6,542.40	1.30	▼	0.02%
ASX Small Ordinaries	2,831.50	33.90	▼	1.18%
S&P/ASX MIDCAP 50	6,831.20	29.60	▼	0.43%
S&P/ASX 20	3,672.70	8.70	▲	0.24%
Foreign Markets Index				
	Last	Change		
S&P 500	2,891.64	11.80	▲	0.41%
Dow Jones	26,106.77	101.94	▲	0.39%
NASDAQ Composite	7,837.13	44.41	▲	0.57%
DAX	12,169.05	53.37	▲	0.44%
ASX All Ordinaries	6,619.10	9.80	▼	0.15%
NIKKEI 225	21,032.00	97.72	▼	0.46%
HANG SENG INDEX	27,294.71	13.75	▼	0.05%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9497	0.0011	▲	0.12%
USD	0.66	-0.0006	▼	0.09%
CNY	4.5460	0.0000	▲	0.00%
EUR	0.58	0.0002	▲	0.03%
CAD	0.8755	-0.0014	▼	0.16%
GBP	0.52	0.0000	▲	0.00%
JPY	71.1605	-0.1415	▼	0.20%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.50			
3m Bank Bill	1.60			
5y Swap	1.52			
10y Swap	1.88			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,345.90	9.10	▲	0.68%
Silver	14.89	0.14	▲	0.93%
Crude Oil	52.26	1.12	▲	2.19%

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