



MORNING REPORT

As at 9.00 AM 15/08/2018

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 dollar dips as investor fears over Turkish economy ease

The New Zealand dollar fell as fears over Turkey's financial woes eased after the nation's finance minister said his government will protect its currency which has been in freefall for the past week.

The US dollar index gained 0.3 percent and stocks on Wall Street rallied after investors took heart from Turkish finance minister Berat Albayrak that his nation will take steps to protect the lira.

Turkey's high level of inflation and foreign indebtedness became a concern for global markets last week when US President Donald Trump threatened to impose stiff tariffs on the nation, triggering a slump in the lira and raising fears of instability among European lenders.

That weighed on emerging markets but efforts to support Turkey's currency have allayed some fears of a contagion effect. The lira strengthened 7.1 percent to 6.3719 per US dollar overnight.

NZ shares bounce back from Turkish sell-down, Summerset falls on mixed result

New Zealand shares bounced back from some of yesterday's sell-off as investors are yet to see serious contagion from Turkey's burgeoning financial crisis, led higher by Synlait Milk and A2 Milk Co. Summerset Group Holdings fell after reporting first-half earnings.

Stocks across Asia were mixed as investors digest the impact of Turkey's economic woes, where a plunging lira increases the burden of foreign indebtedness which has funded the Middle Eastern nation's rapid growth in recent years. Japan's Topix was up 1.3 percent in afternoon trading, while Hong Kong's Hang Seng fell 0.9 percent.

Exporters were among today's leaders, with A2 up 3.6 percent to \$11.16 and its key supplier Synlait Milk leading the benchmark higher, up 3.9 percent to \$10.80. Fisher & Paykel Healthcare rose 1.7 percent to \$14.79.

Earnings season remains the focal point for domestic investors, with Summerset the first major retirement village operator and developer to report. The Wellington-based company lifted underlying earnings 27 percent and declared an increased dividend, although the net profit fell 9 percent as the slowing housing market produced smaller property revaluation gains. The shares fell 0.8 percent to \$7.66.

Fonterra Shareholders' Fund units posted the biggest fall, down 3.2 percent to \$4.80, a new three-year low. Fonterra Cooperative Group lowered its farmgate payout for the 2018 season and said it probably won't pay a final dividend this year as it retains cash to bolster its balance sheet.

Freightways fell 1.9 percent to \$7.60 after yesterday reporting a small increase in annual profit, while Heartland Bank declined 1.7 percent to \$1.74 before reporting its earnings tomorrow. NZX, which also reports tomorrow, was unchanged at \$1.09.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,768.58	25.77	▲	0.26%
S&P/NZX 50 Index	8,971.94	26.90	▲	0.30%
S&P/NZX MidCap Index	25,450.04	23.57	▼	0.09%
S&P/NZX SmallCap Index	64,001.57	45.60	▲	0.07%
S&P/NZAX All Index	528.75	0.00	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,386.20	44.90	▲	0.71%
S&P/ASX 200	6,299.60	47.40	▲	0.76%
ASX Small Ordinaries	2,821.50	25.20	▲	0.90%
S&P/ASX MIDCAP 50	7,050.30	31.30	▲	0.45%
S&P/ASX 20	3,493.30	30.40	▲	0.88%
Foreign Markets Index				
	Last	Change		
S&P 500	2,839.96	18.03	▲	0.64%
Dow Jones Industrial Average	25,299.92	112.22	▲	0.45%
NASDAQ Composite	7,872.19	52.49	▲	0.67%
DAX PERFORMANCE-INDEX	12,358.87	0.13	▲	0.00%
ASX All Ordinaries	6,386.20	44.90	▲	0.71%
NIKKEI 225	22,356.08	498.65	▲	2.28%
HANG SENG INDEX	27,752.93	183.64	▼	0.66%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9079	0.0033	▲	0.36%
USD	0.6571	0.0008	▼	0.12%
CNY	4.5220	0.0050	▼	0.11%
EUR	0.5792	0.0026	▲	0.45%
CAD	0.8586	0.0055	▼	0.64%
GBP	0.5168	0.0013	▲	0.25%
JPY	73.0590	0.2095	▲	0.29%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.38			
10-year Swap	2.89			
Commodities Futures				
	Last	Change		
Gold	1,201.50	2.60	▲	0.22%
Silver	15.06	0.07	▲	0.49%
Crude Oil	66.69	0.51	▼	0.76%

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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