



## MORNING REPORT

As at 9.00 AM 16/07/2019

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 holds gains; focus on domestic inflation data

The New Zealand dollar held its gains ahead of second-quarter domestic inflation data as investors remained cheered by better-than-expected Chinese industrial production and retail sales.

While China's economic growth was the softest in decades in the June quarter, up 6.2 percent from a year earlier, better-than-expected industrial production growth of 6.3 percent and retail sales growth of 9.8 percent gave sentiment a lift.

The focus is now shifting to the second-quarter inflation data due this morning. The market is expecting a 0.6 percent quarterly increase in the Consumers' Price Index, taking the annual growth to 1.7 percent, according to the median estimate from a poll of economists by Bloomberg.

While Kiwibank economists are expecting inflation to show a quarterly bounce to 0.7 percent, above the market and central bank's forecasts of 0.6 percent, they say the outlook is soft.

Investors will also be watching for consumer confidence data in Australia and the release of the Reserve Bank of Australia's July policy meeting.

#### NZ shares slip as fears over slowing Chinese growth weigh; AMP slumps

New Zealand shares fell, joining a downbeat day across Asia as slowing Chinese growth stoked fears that trade tensions will dent the global economy. AMP slumped after the Reserve Bank of New Zealand blocked the sale of its life insurance business.

Australasian stocks were largely weaker as investors fretted over the slowest pace of quarterly growth in China for 27 years, with New Zealand and Australia both reliant on selling exports to the world's most populous nation. Australia's S&P/ASX 200 Index was down 0.4 percent in afternoon trading.

Local exporters were among the day's decliners, with Fisher & Paykel Healthcare down 1.3 percent at \$15.74, Pushpay Holdings falling 1.8 percent to \$3.34, and Fonterra Shareholders' Fund units dropping 2 percent to \$3.84.

Ryman Healthcare was the most traded stock on a volume of 3.4 million shares. It decreased 0.4 percent to \$12.60. Sky Network Television increased 0.9 percent to \$1.16 on 1.4 million shares.

Infratil dipped 0.2 percent to \$4.73 on a volume of 1.1 million shares after saying its Longroad Energy investment secured financing for a wind farm in Texas. The infrastructure investor has attracted more interest since unveiling plans to buy Vodafone New Zealand as part of a consortium, and it last week upgraded guidance on the deal.

Tourism Holdings was the day's biggest gainer, up 2.2 percent at \$3.75 on a volume of 92,000 shares. Metlifecare rose 2.1 percent to \$4.45 on 64,000 shares. NZX rose 1.7 percent to \$1.17 after Napier Port lodged its offer document to raise up to a net \$110 million in an initial public offering. The port operator plans to list in August.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,523.95	32.32	▼	0.28%
S&P/NZX 50 Index	10,666.56	34.87	▼	0.33%
S&P/NZX MidCap Index	30,287.62	21.17	▼	0.07%
S&P/NZX SmallCap Index	60,627.76	365.98	▲	0.61%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,746.20	42.60	▼	0.63%
S&P/ASX 200	6,653.00	43.50	▼	0.65%
ASX Small Ordinaries	2,895.10	12.70	▼	0.44%
S&P/ASX MIDCAP 50	7,069.90	42.60	▼	0.60%
S&P/ASX 20	3,715.20	19.40	▼	0.52%

Foreign Markets Index				
	Last	Change		
S&P 500	3,014.30	0.53	▲	0.02%
Dow Jones Industrial Average	27,359.16	27.13	▲	0.10%
NASDAQ Composite	8,258.19	14.04	▲	0.17%
DAX PERFORMANCE-INDEX	12,387.34	64.02	▲	0.52%
ASX All Ordinaries	6,746.20	42.60	▼	0.63%
NIKKEI 225	21,685.90	42.40	▲	0.20%
HANG SENG INDEX	28,554.88	83.26	▲	0.29%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9548	0.0004	▲	0.04%
USD	0.67	0.0002	▲	0.03%
CNY	4.6230	0.0030	▲	0.06%
EUR	0.60	0.0003	▲	0.05%
CAD	0.8769	0.0002	▲	0.02%
GBP	0.54	0.0003	▲	0.06%
JPY	72.5280	0.0375	▲	0.05%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.50			
3m Bank Bill	1.58			
5y Swap	1.49			
10y Swap	1.87			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,415.80	3.60	▲	0.25%
Silver	15.41	0.18	▲	1.17%
Crude Oil	59.28	0.93	▼	1.54%

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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