

MORNING REPORT

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Top News

NZ shares rise as Infratil and Z gain; Tourism Holdings, Fisher & Paykel drop

New Zealand shares gained in light trading, led higher by Infratil and Z Energy, while Tourism Holdings and Fisher & Paykel Healthcare Corp fell.

The S&P/NZX50 Index rose 38.7 points, or 0.4 percent to 9,024.19. Within the index, 30 stocks rose, 12 fell and eight were unchanged. Turnover was \$84.3 million.

"It's still school holidays, and Fridays tend to be pretty quiet - this is no different," said David Price, a broker at Forsyth Barr.

Infratil lead the index higher, up 2 percent to \$3.405. Z Energy rose 1.8 percent to \$7.50 and Metlifecare gained 1.6 percent to \$6.18.

New Zealand Refining Co gained 1.6 percent to \$6.18 and Skycity Entertainment Group advanced 1.5 percent to \$4.

A2 Milk rose 0.3 percent to \$11.39. Yesterday, the company announced it had lifted annual sales 68 percent, just beating the guidance given in May, and said it expects to maintain an earnings margin of about 30 percent in the coming year even with increased spending.

NZ dollar heading for 0.4% weekly decline after swinging more than 1 US cent on trade tensions

The New Zealand dollar is heading for a 0.4 percent weekly decline having lurched more than 1 US cent during the week in response to the US announcement that it plans to impose tariffs on a further US\$200 billion of Chinese imports.

The kiwi traded at 67.75 US cents as at 5pm in Wellington from 67.60 cents late yesterday and down from 68 cents a week ago. The trade-weighted index edged up to 72.56 from 72.45 yesterday, still down from 72.76 this time last week.

The US pronouncements saw a sell-off in commodities and commodity-linked currencies as traders fretted about the impact of an escalating trade war. But the CRB commodity index - a measure of 19 commonly traded commodities - gained 0.6 percent after China's Ministry of Commerce said it was trying to avoid escalating the trade dispute. Meanwhile, US Treasury Secretary Steven Mnuchin said Washington was open to negotiations if China adopted structural change and the slow process of enacting new tariffs means there is no immediate impact from this week's announcements.

"The path that President Trump is on in terms of his trade manifesto is a prescribed and lengthy process," said Robert Rennie, chief currency strategist at Westpac Banking Corp. "So we're probably entering into a period you would describe as a lull in the trade war. Maybe we won't really focus on it again until September" although there was always a risk that Donald Trump could reignite the issue via Twitter.

Any response from China was likely to include non-trade measures including investment flows but China "was unlikely to reach for the nuclear button" with its vast holding of US Treasuries, he said

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,818.93	43.49	▲ 0.44%
S&P/NZX 50 Index	9,024.19	38.72	▲ 0.43%
S&P/NZX MidCap Index	25,601.29	94.86	▲ 0.37%
S&P/NZX SmallCap Index	63,083.40	249.65	▲ 0.40%
S&P/NZAX All Index	521.93	2.10	▲ 0.40%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,351.90	2.10	▲ 0.03%
S&P/ASX 200	6,268.40	0.10	▲ 0.00%
ASX Small Ordinaries	2,844.00	1.50	▲ 0.05%
S&P/ASX MIDCAP 50	7,034.90	12.40	▲ 0.18%
S&P/ASX 20	3,472.20	3.30	▼ 0.09%

Foreign Markets Index			
	Last	Change	
S&P 500	2,801.31	3.02	▲ 0.11%
Dow Jones	25,019.41	94.52	▲ 0.38%
NASDAQ Composite	7,825.98	2.06	▲ 0.03%
FTSE	7,661.87	10.54	▲ 0.14%
ASX All Ordinaries	6,351.90	2.10	▲ 0.03%
NIKKEI 225	22,597.35	409.39	▲ 1.85%
HANG SENG INDEX	28,525.44	44.61	▲ 0.16%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9120	0.0008	▲ 0.09%
USD	0.6761	0.0001	▲ 0.01%
CNY	4.5260	0.0000	0.00%
EUR	0.5784	0.0006	▼ 0.10%
CAD	0.8898	0.0005	▼ 0.06%
GBP	0.5112	0.0000	0.00%
JPY	75.8450	0.1900	▼ 0.25%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.55	
10-year Swap	3.03	

Commodities Futures			
	Last	Change	
Gold	1,241.80	4.80	▼ 0.39%
Silver	15.84	0.14	▼ 0.89%
Crude Oil	70.58	0.25	▲ 0.36%

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