

MORNING REPORT

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Top News

Strong Aussie job growth sees NZ dollar ease against \$A while firming against greenback

The New Zealand dollar eased against the Aussie dollar after Australia's unemployment rate remained at a six-year low in October but gained against the greenback as global risk appetite ticked higher after the draft Brexit deal.

The Kiwi traded at 93.44 Australian cents at 5pm in Wellington from 93.91 Australian cents at 8:45 am and from 93.70 cents Wednesday. It traded at 67.99 US cents from 67.78 US cents late Wednesday.

Across the Tasman, unemployment was unchanged at 5.0 percent in October, helped by an increase in the participation rate to 65.6 percent from 65.5 percent in September. The September jobs result had been very strong and "this was also a reasonably good result," said Ross Weston, head of trading for Kiwibank.

Weston said the kiwi was also benefiting from "a risk on move" after UK Prime Minister Theresa May secured a draft deal on Brexit but did come under some pressure after US Federal Chairman Jerome Powell said the strong US economy was likely to continue growing. Powell spoke at a moderated discussion at the Dallas Fed with the reserve bank's president Robert Kaplan.

Overall, however, "he seemed relatively upbeat" and the greenback got a bit of a lift, said Weston.

NZ stocks mixed as global worries weigh on local news

New Zealand shares were mixed as weak international investor sentiment weighed on positive local earnings.

The S&P/NZX 50 index fell 1.85 points, or 0.02 percent, to 8,825.89. Within the index, 32 stocks fell, seven were unchanged and 11 rose. Turnover was \$105 million.

US stocks declined for a fifth day with a bounce in oil prices not enough to quell concerns about slowing tech sector growth and a more hostile international trading environment.

The Dow Jones Industrial Average and the S&P 500 Index were each down 0.8 percent. In Australia, the S&P/ASX 200 index was recently down 0.8 percent, with banks again among the losers.

Robert Garden, an investment advisor with Craigs Investment Partners, said US investors are facing rising interest rates and "the potential for a slowing economy."

In the absence of strong earnings news, investors there are increasingly looking to global drivers – such as the US trade talks with China at the end of the month, or the on-going Brexit talks for the UK.

"There's a lot happening in the world to look at and get worried about" if that's your inclination, he said. "That's followed through to us as well."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,629.30	0.38	▼	0.00%
S&P/NZX 50 Index	8,825.89	1.85	▼	0.02%
S&P/NZX MidCap Index	25,896.21	5.57	▲	0.02%
S&P/NZX SmallCap Index	62,805.73	78.75	▼	0.13%
S&P/NZAX All Index	511.70	4.44	▼	0.86%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,825.20	2.90	▲	0.05%
S&P/ASX 200	5,736.00	3.20	▲	0.06%
ASX Small Ordinaries	2,592.90	4.60	▲	0.18%
S&P/ASX MIDCAP 50	6,412.70	20.80	▲	0.33%
S&P/ASX 20	3,188.20	6.90	▼	0.22%
Foreign Markets Index				
	Last	Change		
S&P 500	2,727.05	25.47	▲	0.94%
Dow Jones	25,283.44	202.94	▲	0.81%
NASDAQ Composite	7,256.20	119.81	▲	1.68%
DAX	11,353.67	58.86	▼	0.52%
ASX All Ordinaries	5,825.20	2.90	▲	0.05%
NIKKEI 225	21,803.62	42.86	▼	0.20%
HANG SENG INDEX	26,103.34	448.91	▲	1.75%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9371	0.0024	▼	0.26%
USD	0.6835	0.0040	▲	0.59%
CNY	4.7410	0.0210	▲	0.44%
EUR	0.6022	0.0014	▲	0.23%
CAD	0.8995	0.0004	▼	0.04%
GBP	0.5350	0.0121	▲	2.31%
JPY	77.6435	0.4365	▲	0.57%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.60			
10-year Swap	3.05			
Commodities Futures				
	Last	Change		
Gold	1,214.90	4.80	▲	0.40%
Silver	14.30	0.22	▲	1.53%
Crude Oil	56.50	0.25	▲	0.44%

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