

MORNING REPORT

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Top News

NZ shares rise as Skellerup posts record profit

New Zealand shares rose, led higher by a record profit from Skellerup Holdings, as investors focused more on domestic earnings than volatility in global markets. Precinct Properties New Zealand also gained.

The S&P/NZX 50 index increased 11.42 points, or 0.1 percent, to 8,8998.91. Within the index, 25 stocks gained, 20 fell, and five were unchanged. Turnover was \$142.3 million.

"Wall Street lost some ground and there's some nervousness overseas, but that hasn't rubbed off on the local market or Australia to that degree," Grant Williamson, a director at Hamilton Hindin Greene in Christchurch, said. "We're more focused on our reporting season."

Skellerup rose as high as \$2.12, ending the day at \$2.09. Its 4 percent gain was the biggest in the benchmark index. The rubber goods maker boosted annual profit 23 percent to a record \$27.3 million and raised its dividend.

"Skellerup came out with a cracker result this morning - that was a very good result and we had the share price at a record level on the higher dividend and increased earnings," Williamson said.

Precinct gained 1.8 percent to \$1.415 after the real estate investor forecast a higher dividend and increased earnings in the 2019 financial year. It reported a profit of \$254.9 million on a large revaluation gain.

Williamson said Precinct's result was also "pretty good", although the predictability in property firms meant investors focused on the dividend.

Blue chip stocks were among today's gainers. Fletcher Building rose 1 percent to \$6.90, Contact Energy advanced 0.9 percent to \$5.81, Spark New Zealand increased 0.8 percent to \$3.925, Auckland International Airport gained 0.7 percent at \$6.81, and Fisher & Paykel Healthcare was up 0.7 percent to \$14.96.

NZ dollar fails to break above 66 US cts as US-China trade tensions appear to ease

The New Zealand dollar failed to break above 66 US cents as fears over trade tensions between China and the US were allayed by the prospect of talks later this month.

The kiwi rose as high as 66.09 cents overnight, but was trading at 65.85 cents as at 8am in Wellington from 65.83 cents yesterday. The trade-weighted index was unchanged at 71.65.

Commodity prices and stocks on Wall Street rallied as investors took heart from yesterday's news China will send Vice Commerce Minister Wang Shouwen to the US to discuss trade later this month. Tensions between the two largest economies have weighed on financial markets this year as the governments embarked on tit-for-tat responses in raising trade barriers.

"Markets found some solace after China's Ministry of Commerce announced it will send Vice Commerce Minister Wang Shouwen to the US to engage in low-level trade talks at the end of August," ANZ Bank New Zealand economists Miles Workman and Philip Borkin said in a note. "The NZD attempted to push a little higher overnight, assisted by slightly more positive trade headlines, but moves were not maintained and it finds itself at a similar level to yesterday."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,800.02	12.29	▲	0.13%
S&P/NZX 50 Index	8,998.91	11.42	▲	0.13%
S&P/NZX MidCap Index	25,456.91	4.56	▼	0.02%
S&P/NZX SmallCap Index	64,509.45	42.48	▲	0.07%
S&P/NZAX All Index	526.76	0.64	▼	0.12%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,412.60	3.10	▼	0.05%
S&P/ASX 200	6,328.30	0.70	▼	0.01%
ASX Small Ordinaries	2,815.00	15.20	▼	0.54%
S&P/ASX MIDCAP 50	7,035.00	25.20	▼	0.36%
S&P/ASX 20	3,513.10	1.10	▲	0.03%
Foreign Markets Index				
	Last	Change		
S&P 500	2,840.69	22.32	▲	0.79%
Dow Jones	25,558.73	396.32	▲	1.58%
NASDAQ Composite	7,806.52	32.41	▲	0.42%
DAX	12,237.17	74.16	▲	0.61%
ASX All Ordinaries	6,412.60	3.10	▼	0.05%
NIKKEI 225	22,192.04	12.18	▼	0.05%
HANG SENG INDEX	27,100.06	223.53	▼	0.82%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9069	0.0001	▲	0.01%
USD	0.6587	0.0022	▲	0.34%
CNY	4.5340	0.0190	▼	0.42%
EUR	0.5789	0.0003	▲	0.05%
CAD	0.8667	0.0042	▲	0.49%
GBP	0.5180	0.0010	▲	0.19%
JPY	73.0380	0.3465	▲	0.48%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.39			
10-year Swap	2.88			
Commodities Futures				
	Last	Change		
Gold	1,180.60	4.40	▼	0.37%
Silver	14.63	0.18	▲	1.22%
Crude Oil	65.50	0.49	▲	0.75%

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