

MORNING REPORT

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Top News

NZ shares fall in listless trading; power companies gain

New Zealand shares fell for a second day on light volumes, with heavyweights Auckland International Airport, Fisher & Paykel Healthcare and A2 Milk weighing on the broader index. Meridian Energy and Contact Energy rose as the government considers plans for faster transport electrification.

The S&P/NZX 50 Index decreased 15.36 points, or 0.1 percent, to 10,651.20. Within the index, 26 stocks fell, 15 rose, and nine were unchanged. Turnover was \$83.7 million, with just five companies trading on volumes of more than a million shares.

Stock markets across Asia were subdued, with no firm lead from Wall Street ahead of second-quarter US corporate earnings. The next major domestic reporting season is in August, although boards will need to start updating investors as they get a handle on how their companies performed during the June half.

Grant Williamson, a director at Hamilton Hindin Greene, said companies will need to give guidance as they get "a better idea about what they've earned" but noted that there haven't been any downgrades or upgrades yet.

Auckland Airport led the market lower, down 2.3 percent at \$9.48 on a volume of 557,000 shares, less than half its 90-day average. F&P Healthcare fell 1.8 percent to \$15.46 on 333,000 shares, and A2 was down 0.9 percent at \$16.40.

Dairy product prices gain for first time in five auctions

Dairy product prices rose at the Global Dairy Trade auction, climbing for the first time in five auctions, on stronger appetite for milk powder.

The GDT price index rose 2.7 percent from the previous auction two weeks ago. The average price was US\$3,412 a tonne, compared with US\$3,302 a tonne two weeks ago. Some 25,000 tonnes of product was sold, up from 24,711 tonnes two weeks ago.

"This follows four consecutive decreases in the index and was likely linked to tighter global milk supplies with demand at this event firming for milk powder, milk fats and cheese," NZX dairy analysts Robert Gibson and Amy Castleton said in a note. "Milk powder prices strengthened in response to stronger demand from Southeast Asian countries and the Middle East."

Whole milk powder average prices advanced 3.6 percent to US\$3,074 a tonne.

"This was the first lift in average prices for whole milk powder since March," according to Gibson and Castleton. Price levels lifted across all delivery dates out to December, with stronger increases for November and December delivery dates, up 4.0 percent and 4.1 percent respectively, the analysts noted.

At the latest GDT auction, skim milk powder rallied 3.8 percent to US\$2,505 a tonne, while cheddar added 3.3 percent to US\$3,869 a tonne.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,505.76	18.19	▼ 0.16%
S&P/NZX 50 Index	10,651.20	15.36	▼ 0.14%
S&P/NZX MidCap Index	30,299.99	12.37	▲ 0.04%
S&P/NZX SmallCap Index	60,308.06	319.70	▼ 0.53%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,735.80	10.40	▼ 0.15%
S&P/ASX 200	6,641.00	12.00	▼ 0.18%
ASX Small Ordinaries	2,887.70	7.40	▼ 0.26%
S&P/ASX MIDCAP 50	7,050.70	19.20	▼ 0.27%
S&P/ASX 20	3,706.00	9.20	▼ 0.25%

Foreign Markets Index			
	Last	Change	
S&P 500	3,004.04	10.26	▼ 0.34%
Dow Jones	27,335.63	23.53	▼ 0.09%
NASDAQ Composite	8,222.80	35.39	▼ 0.43%
DAX	12,430.97	43.63	▲ 0.35%
ASX All Ordinaries	6,735.80	10.40	▼ 0.15%
NIKKEI 225	21,535.25	150.65	▼ 0.69%
HANG SENG INDEX	28,619.62	64.74	▲ 0.23%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9552	0.0008	▲ 0.08%
USD	0.67	-0.0021	▼ 0.31%
CNY	4.6050	-0.0150	▼ 0.33%
EUR	0.60	0.0008	▲ 0.13%
CAD	0.8761	-0.0006	▼ 0.07%
GBP	0.54	0.0030	▲ 0.56%
JPY	72.5140	0.0235	▲ 0.03%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.55	
5y Swap	1.44	
10y Swap	1.82	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,405.90	7.60	▼ 0.54%
Silver	15.58	0.22	▲ 1.40%
Crude Oil	57.61	1.97	▼ 3.31%

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