

MORNING REPORT

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Top News

Strained trade relations between the US and China and the prospect of higher US interest rates have prompted investors to reassess their exposure to equities if slowing global growth and tighter credit conditions restrict corporate profits. Stocks across Asia fell, with Australia's S&P/ASX 200 index down 0.9 percent in afternoon trading. Hong Kong's Hang Seng index fell 1.4 percent. New Zealand shares also fell. The S&P/NZX 50 index decreased 70.66 points, or 0.8 percent, to 8,722.51. Within the index, 23 stocks fell, 21 gained, and six were unchanged. Turnover was \$195.6 million, of which Trade Me accounted for \$90.6 million. F&P Healthcare led the market lower, down 4.2 percent to \$11.85 in average trading. A2 Milk fell 3.4 percent to \$10.75 and Comvita declined 3.3 percent to \$5.28, both on light volumes. Methven soared 32 percent to \$1.52 after receiving a takeover offer from ASX-listed GWA Group at \$1.60. The deal is also through a scheme of arrangement, and the Australian firm will also let Methven pay an interim dividend for the six-month period ending Dec. 31. The market sees this deal as good for investors, but not so much for the broader market. Spark New Zealand fell 1.4 percent to \$4.25 on slightly heavier trading than usual at 3.3 million. Fletcher Building fell 1.4 percent to \$4.84 as investors continue to wait for news on the sale of its Formica international business. Infratil declined 1.4 percent to \$3.57 after saying a delay to the sale of its Longroad Energy asset won't affect earnings guidance. Kathmandu Holdings rose 3.7 percent to \$2.80 in light trading, posting the biggest gain on the NZX50 on the day. Scales Corp increased 1.2 percent to \$4.27 after buying a 60 percent stake in US pet food firm Shelby JV for US\$23.2 million.

The New Zealand dollar fell to a six-month low as weaker than expected European and Chinese data added to fears about the pace of global growth. The kiwi was also dented by the Reserve Bank's proposals to impose stricter capital requirements on domestic lenders. It traded at 67.85 US cents as at 8am in Wellington. The trade-weighted index was at 74.42 from 74.46 last week. The kiwi rose to 94.60 Australian and to 4.6850 Chinese yuan. It traded at 53.83 British pence and edged up to 60.02 euro cents. The local currency traded at 76.91 yen.

The Federal Reserve's last policy meeting of the year is the major event this week, with analysts watching for a change the track for future interest rate hikes. (BusinessDesk)

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,486.75	67.06	▼ 0.70%
S&P/NZX 50 Index	8,722.51	70.66	▼ 0.80%
S&P/NZX MidCap Index	25,973.18	17.13	▲ 0.07%
S&P/NZX SmallCap Index	58,656.60	457.37	▲ 0.79%
S&P/NZX All Index	521.84	2.54	▲ 0.49%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,678.80	56.50	▼ 0.99%
S&P/ASX 200	5,602.00	59.60	▼ 1.05%
ASX Small Ordinaries	2,510.40	23.90	▼ 0.94%
S&P/ASX MIDCAP 50	6,141.90	47.90	▼ 0.77%
S&P/ASX 20	3,129.90	43.90	▼ 1.38%
Foreign Markets Index			
	Last	Change	
S&P 500	2,599.95	50.59	▼ 1.91%
Dow Jones Industrial Average	24,100.51	496.87	▼ 2.02%
NASDAQ Composite	6,910.67	159.67	▼ 2.26%
DAX PERFORMANCE-INDEX	10,865.77	58.93	▼ 0.54%
ASX All Ordinaries	5,678.80	56.50	▼ 0.99%
NIKKEI 225	21,374.83	441.36	▼ 2.02%
HANG SENG INDEX	26,094.79	429.56	▼ 1.62%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9467	0.0003	▲ 0.03%
USD	0.6795	0.0004	▼ 0.06%
CNY	4.6920	0.0040	▼ 0.09%
EUR	0.6012	0.0001	▲ 0.02%
CAD	0.9095	0.0002	▲ 0.02%
GBP	0.5390	0.0010	▼ 0.19%
JPY	77.0150	0.0500	▼ 0.06%
NZ Interest Rates			
	Last	Change	
NZ OCR	1.75	1.75	
3-month Bank Bill	1.94	1.94	
5-year Swap	2.36	2.35	▼ -0.01
10-year Swap	2.77	2.78	▲ 0.01
Commodities Futures			
	Last	Change	
Gold	1,238.10	4.60	▼ 0.37%
Silver	14.64	0.22	▼ 1.48%
Crude Oil	51.23	1.35	▼ 2.57%

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