

MORNING REPORT

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Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

Top News

NZX50 knocking on 10,000; retirement stocks Metlifecare, Summerset rally on ditched CGT

New Zealand shares hit a new record as retirement village operators including Summerset Group and Metlifecare rallied on the government's decision to ditch a capital gains tax.

The S&P/NZX 50 Index rose 73.85 points, or 0.7 percent, to a record 9,982.24. Within the index, 32 stocks gained, eight fell, and 10 were unchanged. Turnover was \$105.2 million.

Retirement home developers were buoyed by Prime Minister Jacinda Ardern's decision to can a capital gains tax after failing to find common ground with her coalition and support partners. The prospect of a capital gains tax had been an unwelcome uncertainty for the sector, which in recent years had enjoyed the tailwind of an ageing demographic and a hot property market.

Summerset led the index higher, up 3.9 percent at \$5.90 on a volume of 464,000 shares, more than its 90-day average of 303,000. Metlifecare advanced 3.8 percent to \$4.87 and Ryman Healthcare increased 1.3 percent to \$11.85.

Mark Lister, head of research at Craigs Investment Partners, said the gains partly reflected the reduced threat of a capital gains tax hitting the housing market.

NZ dollar battered by weak domestic CPI, eyes on Australian data

The New Zealand dollar remained weak despite better-than-expected Chinese data helping lift risk sentiment.

Domestic inflation data yesterday was soft and investors are now focusing on jobs growth in Australia for similar signs of a slowdown.

The kiwi was trading at 67.19 US cents at 8am in Wellington versus 67.30 at 5pm yesterday. The trade-weighted index was at 72.71 points from 72.85.

The kiwi took a tumble yesterday as weak domestic inflation data upped speculation that the central bank might cut rates in May. It gained back some ground when China said its economy grew at a 6.4 percent pace in the first quarter, exceeding the forecasts of many economists. Industrial production and retail sales were also positive. The gains, however, were muted.

"Firm China data lifted risk sentiment but the kiwi found little support as the weaker headline CPI print continued to weigh. Expect the kiwi to lag its peers in the near term as markets increase the odds of an OCR cut in May," said ANZ FX/rates strategist Sandeep Parekh.

Today, investors will be watching for Australian jobs data, in particular after the Reserve Bank of Australia underscored the importance of the data in its latest minutes.

"Looking forward, the board will continue to monitor developments, including how the current tensions between the domestic GDP and labour market data evolve," the RBA said in its latest minutes.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	10,805.37	78.27	▲ 0.73%
S&P/NZX 50 Index	9,982.24	73.85	▲ 0.75%
S&P/NZX MidCap Index	28,622.90	151.58	▲ 0.53%
S&P/NZX SmallCap Index	59,907.75	560.60	▲ 0.94%
S&P/NZAX All Index	626.68	1.13	▲ 0.18%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,350.30	22.00	▼ 0.35%
S&P/ASX 200	6,256.40	21.00	▼ 0.33%
ASX Small Ordinaries	2,803.00	15.20	▼ 0.54%
S&P/ASX MIDCAP 50	6,766.80	17.10	▲ 0.25%
S&P/ASX 20	3,484.50	10.90	▼ 0.31%

Foreign Markets Index			
	Last	Change	
S&P 500	2,900.45	6.61	▼ 0.23%
Dow Jones	26,449.54	3.12	▼ 0.01%
NASDAQ Composite	7,996.08	4.15	▼ 0.05%
DAX	12,153.07	51.75	▲ 0.43%
ASX All Ordinaries	6,350.30	22.00	▼ 0.35%
NIKKEI 225	22,277.97	56.31	▲ 0.25%
HANG SENG INDEX	30,124.68	5.19	▼ 0.02%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9371	0.0055	▼ 0.58%
USD	0.6722	0.0041	▼ 0.61%
CNY	4.4940	0.0420	▼ 0.93%
EUR	0.5949	0.0045	▼ 0.75%
CAD	0.8965	0.0063	▼ 0.70%
GBP	0.5156	0.0027	▼ 0.52%
JPY	75.3230	0.4155	▼ 0.55%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.88	
5-year Swap	1.82	
10-year Swap	2.27	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,276.20	1.00	▼ 0.08%
Silver	14.94	0.02	▲ 0.13%
Crude Oil	63.73	0.32	▼ 0.50%

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www.equity.co.nz E-mail: Info@equity.co.nz

Contact Equity Investment Advisers today.
 Tel: +64 (9)304 0145 / NZ: 0800 474 669