

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

NZ shares fall as heavyweights Auckland Airport, Meridian lose steam

New Zealand shares fell in relatively quiet trading, weighed down by blue-chip stocks such as Auckland International Airport and Meridian Energy which have been trading near records.

The S&P/NZX 50 Index declined 65.11 points, or 0.6 percent, to 10,170.26. Within the index, 24 stocks fell, 19 rose, and seven were unchanged. Turnover was \$85 million.

The volume of trading was relatively quiet, with 18.8 million shares changing hands, down on its 90-day average of 30.4 million. Stocks across Asia were largely weaker, including in Australia, where the S&P/ASX 200 Index was down 0.2 percent in late trading.

Blue-chip companies with large weightings on New Zealand's benchmark index were generally weaker, giving up recent gains that have pushed the NZX50 to a record. Auckland Airport fell 2.1 percent to \$8.83, Meridian Energy was down 1.7 percent at \$4.41 on a volume of 1.2 million shares, and A2 Milk declined 1.4 percent to \$14.64.

"The market itself has had a disappointing start to the week - there was a little bit of weakness in A2 and the electricity stocks are under a bit of pressure," said Grant Williamson, a director at Hamilton Hindin Greene.

Contact Energy decreased 0.9 percent to \$7.52 after chief executive Dennis Barnes signalled his intention to leave the power company early next year.

Ryman Healthcare led the market lower, down 2.5 percent at \$11.36 on a volume of 268,000 shares, almost half its 438,000 average.

NZ dollar largely steady; focus on FOMC

The New Zealand dollar was largely steady against the greenback after soft data in the US and ahead of the Federal Reserve's open market committee meeting.

The kiwi was trading at 64.94 US cents at 7:45am from 65.06 US cents at 5pm in Wellington. The trade-weighted index was at 71.68 points from 71.74.

The US dollar came under some pressure after the Empire State Manufacturing Index, which measures activity in the New York area, fell to minus 8.6 in June, from 17.8 in May. Economists had been expecting it to be 11.5. It was the lowest reading and the first time the index was negative since October 2016.

Markets, however, are largely trading water ahead of the Fed's policy-setting committee, which is due to release its latest statement and economic projections early Thursday New Zealand time after the end of a two-day meeting. Fed Chairman Jerome Powell will hold a press conference shortly after.

According to Reuters, analysts expect the "dot plot" of year-end forecasts for the Fed's benchmark overnight lending rate - the federal funds rate - will show a growing number of policymakers are open to cutting rates in the coming months, but nowhere near as aggressively as investors expect or US President Donald Trump wants.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	10,989.12	69.99	▼ 0.63%
S&P/NZX 50 Index	10,170.26	65.11	▼ 0.64%
S&P/NZX MidCap Index	29,280.35	26.94	▼ 0.09%
S&P/NZX SmallCap Index	59,514.73	16.32	▼ 0.03%
S&P/NZAX All Index	559.57	0.00	▲ 0.00%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,609.40	24.20	▼ 0.36%
S&P/ASX 200	6,530.90	23.10	▼ 0.35%
ASX Small Ordinaries	2,820.80	21.20	▼ 0.75%
S&P/ASX MIDCAP 50	6,845.10	29.80	▼ 0.43%
S&P/ASX 20	3,663.90	6.10	▼ 0.17%

Foreign Markets Index			
	Last	Change	
S&P 500	2,889.67	2.69	▲ 0.09%
Dow Jones	26,112.53	22.92	▲ 0.09%
NASDAQ Composite	7,845.02	48.37	▲ 0.62%
DAX	12,085.82	10.58	▼ 0.09%
ASX All Ordinaries	6,609.40	24.20	▼ 0.36%
NIKKEI 225	21,124.00	7.11	▲ 0.03%
HANG SENG INDEX	27,227.16	108.81	▲ 0.40%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9476	0.0022	▲ 0.23%
USD	0.65	-0.0006	▼ 0.09%
CNY	4.4960	-0.0040	▼ 0.09%
EUR	0.58	-0.0010	▼ 0.17%
CAD	0.8709	-0.0006	▼ 0.07%
GBP	0.52	0.0014	▲ 0.27%
JPY	70.4745	-0.0505	▼ 0.07%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.58	
5y Swap	1.49	
10y Swap	1.84	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,343.40	1.10	▼ 0.08%
Silver	14.82	0.02	▲ 0.11%
Crude Oil	51.93	0.58	▼ 1.10%

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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