



MORNING REPORT

As at 9.00 AM 18/07/2019

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 dollar gains on weak US data, renewed trade concerns

Overnight, the US Commerce Department said that June housing starts fell 0.9 percent from May. Residential building permits fell 6.1 percent, marking the biggest monthly drop since March 2016. Economists surveyed by The Wall Street Journal had expected a 0.7 percent decline for starts and a 0.3 percent decrease for permits.

The South China Morning Post yesterday reported China's foreign ministry spokesperson Geng Shuang saying that new tariffs would present "new obstacles" to any deal between the world's two largest economies.

Shirley said markets were also concerned after some US companies reporting earnings overnight voiced concern about their short-term growth prospects, partly because of the US-China trade dispute.

The New Zealand dollar was at 95.99 Australian cents versus 95.69, at 54.13 British pence from 54.03, at 59.96 euro cents from 59.82, at 72.74 yen from 72.60, and at 4.6270 Chinese yuan from 4.6180.

NZ shares edge higher in quiet trading; weaker currency buoys exporters

New Zealand shares edged up in quiet trading as exporters including Tourism Holdings and Air New Zealand led the market higher as a weaker currency underpinned their international earnings. Fletcher Building dropped below the \$5 mark.

Local trading has been thin during the past week and a half with fewer people on deck over the school holiday period. Activity will ramp up in the coming month for the August earnings season, when the majority of NZX-listed companies report their first-half and annual results.

Export-orientated stocks led the market higher with the New Zealand dollar holding around 67 US cents. The weaker kiwi increases the value of earnings in foreign currencies and boosts the bottom line of exporters.

Tourism Holdings rose 2.9 percent to \$3.94 on a volume of 118,000 shares, down on its 90-day average of 171,000. Air New Zealand rose 2.2 percent to \$2.75 on 1.3 million shares, more than its 926,000 average, and Pushpay advanced 2.1 percent to \$3.40.

A2 Milk rose 1.8 percent to \$16.70 on 1.7 million shares, more than twice its 715,000 average, while Fisher & Paykel Healthcare was up 1.8 percent at \$15.73 on 315,000 shares, less than its 562,000 average.

Auckland International Airport slipped 0.1 percent to \$9.47 after its passenger numbers showed declining traffic, particularly from China. Goodson said those numbers may pose a risk to the airport operator's forecast earnings for next year.

Chorus fell 2 percent to \$5.54 after reporting steady growth in its broadband connections and ongoing losses in total connections. Goodson said the decline in total connections was a little more than expected, with the network operator permanently losing copper-line customers in areas where it isn't building the fibre network.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,509.65	3.89	▲	0.03%
S&P/NZX 50 Index	10,654.80	3.60	▲	0.03%
S&P/NZX MidCap Index	30,274.58	25.41	▼	0.08%
S&P/NZX SmallCap Index	60,410.83	102.77	▲	0.17%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,764.00	28.20	▲	0.42%
S&P/ASX 200	6,673.30	32.30	▲	0.49%
ASX Small Ordinaries	2,890.20	2.50	▲	0.09%
S&P/ASX MIDCAP 50	7,080.80	30.10	▲	0.43%
S&P/ASX 20	3,729.10	23.10	▲	0.62%

Foreign Markets Index				
	Last	Change		
S&P 500	2,984.42	19.62	▼	0.65%
Dow Jones Industrial Average	27,219.85	115.78	▼	0.42%
NASDAQ Composite	8,185.21	37.59	▼	0.46%
DAX PERFORMANCE-INDEX	12,341.03	89.94	▼	0.72%
ASX All Ordinaries	6,764.00	28.20	▲	0.42%
NIKKEI 225	21,469.18	66.07	▼	0.31%
HANG SENG INDEX	28,593.17	26.45	▼	0.09%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9601	-0.0003	▼	0.03%
USD	0.67	-0.0003	▼	0.04%
CNY	4.6280	0.0000	▲	0.00%
EUR	0.60	-0.0001	▼	0.02%
CAD	0.8782	-0.0006	▼	0.07%
GBP	0.54	-0.0001	▼	0.02%
JPY	72.6395	-0.0315	▼	0.04%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.50			
3m Bank Bill	1.54			
5y Swap	1.44			
10y Swap	1.81			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,428.20	17.00	▲	1.20%
Silver	16.00	0.33	▲	2.09%
Crude Oil	56.58	1.04	▼	1.80%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

Do you need to make any changes to your portfolio?
www.equity.co.nz E-mail: Info@equity.co.nz

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