



MORNING REPORT

As at 9.00 AM 18-06-18

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 falls as tit-for-tat tariffs from US, China unsettle markets, weigh on commodities

The New Zealand dollar fell as China responded to US tariffs by imposing its own trade levies on US\$34 billion of US goods, unsettling markets and weighing on commodities.

China responded to US tariffs on US\$50 billion of Chinese goods by targeting farm commodities and cars from the US for tariffs of its own, and flagging a further US\$16 billion of goods such as coal and oil that will face tariffs down the track. US President Donald Trump had warned he would impose further tariffs if China responded. The CRB index of 19 commonly traded commodities dropped 1.4 percent on Friday to sit at a two-month low. Commodity-linked currencies such as the kiwi and the Aussie fell.

Stronger-than-expected US consumer sentiment and manufacturing data helped underpin the greenback on Friday.

In New Zealand today, traders will be watching for the performance of services index for May and the big local event this week is likely to be gross domestic product for the first quarter, which is expected to show the economy grew 0.5 percent in the first three months of the year compared to a 0.6 percent pace in the fourth quarter of 2017.

The kiwi dollar traded at 59.82 euro cents, little changed from Friday in New York. It was little changed at 93.27 Australian cents and at 52.28 British pence.

NZX 50 rises to record led by Synlait, A2 while Freightways, Ryman drop

New Zealand shares hit a fresh record in busy trading, led by Synlait Milk and A2 Milk Co while investors took profits on Freightways and Ryman Healthcare.

A2 Milk was the most heavily traded stock on the index, with \$52.8 million in turnover, and rose 3.5 percent to \$11.90. A2's share price has been turbulent over the past month since it gave an update with a less positive outlook than many investors had expected, dropping from \$13.30 before the announcement to as low as \$10.24 in late May, though it has been recovering lost ground since then.

Synlait Milk was the best performer, up 3.5 percent to \$10.92, while Air New Zealand rose 3.4 percent to \$3.31 and Scales Corp gained 2.6 percent to \$4.78. Summerset Group Holdings advanced 1.7 percent to \$7.61 and Westpac Banking Corp was up 1.6 percent to \$29.86.

Freightways was the worst performer, down 4 percent to \$7.96, and Ryman fell 1.2 percent to \$11.86. Ebos Group dropped 1.1 percent to \$18.17.

Mercury New Zealand fell 2.6 percent to \$3.34, Gentrack Group declined 1.8 percent to \$7.27, and Heartland Bank was down 1.7 percent to \$1.74.

| NZX Index | | | | |
|----------------------------|-----------|--------|---|-------|
| Index | Last | Change | | |
| S&P/NZX All Index | 9,774.34 | 3.77 | ▼ | 0.04% |
| S&P/NZX 50 Index | 8,975.75 | 2.72 | ▼ | 0.03% |
| S&P/NZX MidCap Index | 25,296.08 | 285.93 | ▼ | 1.12% |
| S&P/NZX SmallCap Index | 62,338.65 | 108.53 | ▲ | 0.17% |
| S&P/NZAX All Index | 503.54 | 1.03 | ▼ | 0.20% |
| ASX Index | | | | |
| Index | Last | Change | | |
| ASX All Ordinaries | 6,205.30 | 75.70 | ▲ | 1.23% |
| S&P/ASX 200 | 6,094.00 | 77.40 | ▲ | 1.29% |
| ASX Small Ordinaries | 2,880.00 | 26.20 | ▲ | 0.92% |
| S&P/ASX MIDCAP 50 | 6,959.00 | 88.30 | ▲ | 1.29% |
| S&P/ASX 20 | 3,332.50 | 45.00 | ▲ | 1.37% |
| Foreign Markets Index | | | | |
| | Last | Change | | |
| S&P 500 | 2,779.66 | 2.83 | ▼ | 0.10% |
| Dow Jones | 25,090.48 | 84.83 | ▼ | 0.34% |
| NASDAQ Composite | 7,746.38 | 14.66 | ▼ | 0.19% |
| FTSE | 7,633.91 | 131.88 | ▼ | 1.70% |
| ASX All Ordinaries | 6,205.30 | 75.70 | ▲ | 1.23% |
| NIKKEI 225 | 22,851.75 | 113.14 | ▲ | 0.50% |
| HANG SENG INDEX | 30,309.49 | 130.68 | ▼ | 0.43% |
| Currencies (per NZ\$ 1.00) | | | | |
| | Last | Change | | |
| AUD | 0.9327 | 0.0011 | ▼ | 0.12% |
| USD | 0.6941 | 0.0005 | ▼ | 0.07% |
| CNY | 4.4710 | 0.0000 | | 0.00% |
| EUR | 0.5986 | 0.0002 | ▲ | 0.03% |
| CAD | 0.9158 | 0.0011 | ▼ | 0.12% |
| GBP | 0.5227 | 0.0005 | ▼ | 0.10% |
| JPY | 76.7950 | 0.0900 | ▼ | 0.12% |
| NZ Interest Rates | | | | |
| | Last | Change | | |
| NZ OCR | 1.75 | | | |
| 3-month Bank Bill | 1.94 | | | |
| 5-year Swap | 2.68 | | | |
| 10-year Swap | 3.14 | | | |
| Commodities Futures | | | | |
| | Last | Change | | |
| Gold | 1,282.00 | 26.30 | ▼ | 2.01% |
| Silver | 16.57 | 0.69 | ▼ | 4.01% |
| Crude Oil | 64.38 | 2.51 | ▼ | 3.75% |

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