

MORNING REPORT

As at 9.00 AM 18/09/2018

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Top News

NZ shares mixed as index rebalancing looms; Pushpay, A2 gain

New Zealand shares were mixed in light trading as investors weighed up the impact of index rebalancing at the end of this week. Growth stocks Pushpay Holdings and A2 Milk Co gained, while Sky Network Television fell.

The S&P/NZX 50 index edged up 0.77 of a point, or 0.01 percent, to 9,271.53. Within the index, 20 stocks gained, 23 fell and seven were unchanged. Turnover was \$89.4 million.

Several Australian stock indices tracked by passive investment funds will rebalance at the end of the week. The new line-ups will take effect from next month, including Sky TV's exit from the S&P/ASX 300 index. Sky TV fell 2.8 percent to \$2.06, just shy of the \$2.05 low it hit on Sept. 6.

David Price, a broker at Forsyth Barr, said trading had been particularly quiet for a number of days and that the index rebalancing will attract most focus this week.

"There'll be quite a bit going on this Friday with some large index changes. That'll be the highlight of the week."

Pushpay rose 2.7 percent to \$4.15, extending last week's gain on a broker upgrade. A2 rose 2.5 percent to \$12.29 after a Forsyth Barr research note said new Chinese e-commerce rules should play to the milk marketer's strengths. Synlait Milk fell 1.6 percent to \$12.95 ahead of its annual result on Thursday.

Chorus gained 2.1 percent to \$4.89 and Ebos Group rose 2.1 percent to \$22.44.

NZ dollar gains as investors await Trump's tariff announcement

The New Zealand dollar rose as investors wait for US President Donald Trump to announce his next tranche of tariffs on Chinese imports after Wall Street closes.

The kiwi increased to 65.78 US cents as at 8am in Wellington from 65.54 cents yesterday. The trade-weighted index edged up to 71.46 from 71.34 yesterday.

Stocks on Wall Street fell ahead of Trump's announcement, which is expected to impose a 10 percent tariff on US\$200 billion of Chinese imports. Tariffs of up to 25 percent had been threatened.

With China a bigger exporter of goods to the US, the Asian economy is losing its ability to respond in kind with traditional trade barriers and investors are wary the world's second-biggest economy will walk away from upcoming talks intended to quell the tensions. New Zealand and Australia both count China as their biggest export destination.

"So far, the market appears to have put more weight on the likely cancellation of US-China trade talks than the lower 10 percent tariff rate that the WSJ reported Trump had opted for," Bank of New Zealand interest rate strategist Nick Smyth said in a note. "Against a backdrop of USD weakness, the NZD has risen to US\$0.6580, about 0.5 percent stronger than Friday night's close."

NZX Index			
Index	Last	Change	
S&P/NZX All Index	10,087.98	0.33	▼ 0.00%
S&P/NZX 50 Index	9,271.53	0.77	▲ 0.01%
S&P/NZX MidCap Index	26,448.99	36.55	▼ 0.14%
S&P/NZX SmallCap Index	63,664.48	88.79	▼ 0.14%
S&P/NZAX All Index	534.96	7.99	▼ 1.47%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,293.90	17.60	▲ 0.28%
S&P/ASX 200	6,185.00	19.70	▲ 0.32%
ASX Small Ordinaries	2,832.40	1.40	▲ 0.05%
S&P/ASX MIDCAP 50	7,089.30	41.60	▲ 0.59%
S&P/ASX 20	3,401.70	9.20	▲ 0.27%

Foreign Markets Index			
	Last	Change	
S&P 500	2,888.80	16.18	▼ 0.56%
Dow Jones	26,062.12	92.55	▼ 0.35%
NASDAQ Composite	7,895.79	114.25	▼ 1.43%
DAX	12,096.41	27.92	▼ 0.23%
ASX All Ordinaries	6,293.90	17.60	▲ 0.28%
NIKKEI 225	23,094.67	273.35	▲ 1.20%
HANG SENG INDEX	26,932.85	353.56	▼ 1.30%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9165	0.0000	0.00%
USD	0.6578	0.0019	▲ 0.29%
CNY	4.5150	0.0150	▲ 0.33%
EUR	0.5630	0.0012	▼ 0.21%
CAD	0.8572	0.0023	▲ 0.27%
GBP	0.4999	0.0019	▼ 0.38%
JPY	73.5610	0.0660	▲ 0.09%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.33	
10-year Swap	2.85	

Commodities Futures			
	Last	Change	
Gold	1,205.50	4.40	▲ 0.37%
Silver	14.13	0.09	▲ 0.63%
Crude Oil	68.75	0.24	▼ 0.35%

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