

MORNING REPORT

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Top News

NZ shares gain: F&P Healthcare rallies on big volume, Synlait extends gain

New Zealand shares snapped a six-day decline as export-focused firms such as Scales Corp and Fisher & Paykel Healthcare benefited from a weaker currency. Synlait Milk extended its gain amid merger and acquisition activity in Australia's dairy sector.

The S&P/NZX 50 Index advanced 36.28 points, or 0.3 percent, to 10,868.03. Within the index, 27 stocks rose, 16 fell, and seven were unchanged. Turnover was \$225.7 million of which F&P Healthcare accounted for \$91.9 million.

Stocks across Asia were mixed as investors digested gyrations in oil prices after attacks on Saudi Arabian processing facilities over the weekend. Australia's S&P/ASX 200 Index was up 0.1 percent in afternoon trading, Hong Kong's Hang Seng fell 1 percent and Singapore's Straits Times Index was down 0.5 percent.

The heightened nervousness about geopolitics and upcoming Federal Reserve policy has been weighing on the kiwi dollar, which ended the local session at 63.31 US cents. The currency has dropped about 5.7 percent so far this year, benefitting exporters by increasing the value of their earnings in foreign markets.

F&P Healthcare rose 2 percent to \$17 on a volume of 5.4 million shares, more than 10 times its 90-day average of 509,000. Of that, almost 4.8 million changed hands in one trade at \$17 a share. The breathing mask respirator maker generates more than half its revenue in US dollars and has already raised its earnings guidance on the weaker currency outlook.

NZ dollar opens higher as dairy prices lift, oil eases

The New Zealand dollar lifted against the greenback, helped by a positive overnight global dairy auction.

The kiwi was trading at 63.56 US cents at 7:55 am in Wellington from 63.31 US cents at 5pm yesterday. The trade-weighted index was at 70.50 from 70.37.

The GDT price index climbed 2 percent from the previous auction two weeks ago. The average price was US\$3,303 a tonne, up from US\$3,202. Whole milk powder rose 1.9 percent to US\$3,133 a tonne.

The kiwi "finds its feet following a stronger than expected GDT auction. Meanwhile, the USD softened alongside oil prices as supply fears eased," said ANZ FX/rates strategist Sandeep Parekh.

Global markets stabilised after news reports that Saudi Arabia would return to normal oil production levels by the end of the month. Brent crude fell to US\$64 a barrel, down from US\$69 late Monday.

Energy Minister Prince Abdulaziz bin Salman told media 50 percent of crude production cut from the attack has been restored and production capacity would reach 10 million barrels of crude per day by the end of September and 12 million barrels by the end of November.

The focus is now firmly on the US Federal Reserve, which is due to publish its rate decision early Thursday New Zealand time. Markets are expecting a second 25 basis-point rate cut to a range of 1.75 percent to 2.00 percent.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,724.90	37.64	▲ 0.32%
S&P/NZX 50 Index	10,868.03	36.28	▲ 0.33%
S&P/NZX MidCap Index	31,068.69	223.08	▲ 0.72%
S&P/NZX SmallCap Index	60,650.20	22.42	▲ 0.04%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,801.70	19.70	▲ 0.29%
S&P/ASX 200	6,695.30	21.80	▲ 0.33%
ASX Small Ordinaries	2,880.00	1.40	▼ 0.05%
S&P/ASX MIDCAP 50	7,089.60	7.30	▼ 0.10%
S&P/ASX 20	3,722.20	13.50	▲ 0.36%

Foreign Markets Index			
	Last	Change	
S&P 500	3,005.70	7.74	▲ 0.26%
Dow Jones	26,717.43	117.47	▲ 0.44%
NASDAQ Composite	8,186.02	32.47	▲ 0.40%
DAX	12,372.61	7.70	▼ 0.06%
ASX All Ordinaries	6,801.70	19.70	▲ 0.29%
NIKKEI 225	22,001.32	13.03	▲ 0.06%
HANG SENG INDEX	26,790.24	334.31	▼ 1.23%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9259	0.0015	▲ 0.16%
USD	0.64	0.0011	▲ 0.17%
CNY	4.5080	0.0230	▲ 0.51%
EUR	0.57	-0.0027	▼ 0.47%
CAD	0.8419	0.0015	▲ 0.18%
GBP	0.51	-0.0020	▼ 0.39%
JPY	68.7520	0.1155	▲ 0.17%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.14	
5y Swap	1.04	
10y Swap	1.35	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,508.90	2.60	▼ 0.17%
Silver	18.09	0.06	▲ 0.36%
Crude Oil	58.74	4.16	▼ 6.61%

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