



MORNING REPORT

As at 9.05 AM 19/08/2019

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 range-bound as global growth jitters increase

The New Zealand dollar is sticking to a tight range as global growth concerns continue to weigh on sentiment.

US data was disappointing Friday, with housing starts down 4 percent in July and the preliminary August release of the University of Michigan consumer sentiment down 6.3 points to 92.1.

However, sentiment may be helped after US President Donald Trump's economic advisor Larry Kudlow talked down fears of an economic slowdown Sunday. "I don't see a recession at all," he said in an interview with Fox News.

Meanwhile, headlines that the German government is ready to deliver fiscal stimulus by boosting deficit spending should a recession hit saw the bund selloff on Friday, and added to fears that economies globally are slowing.

Looking ahead, markets will be watching for today's BNZ-BusinessNZ performance of services index followed by minutes from the US Federal Reserve Wednesday in the US.

NZ shares fall as global uncertainty weighs on utilities; Sky gains on M&A

New Zealand shares fell for a sixth session, led lower by utilities Vector and Chorus, as investors remain concerned trade and geopolitical tensions could trigger a global recession. Sky Network Television gained after buying a new online rugby business.

Stocks across Asia were mixed as investors weighed up stronger than expected US retail data and positive earnings from the likes of Walmart and Alibaba against lingering fears about the democracy protests in Hong Kong, trade tensions between China and the US, and falling bond yields around the world.

The low interest rate environment has been a tailwind for the local market, helping propel it to a record high this month because of the large number of local companies paying reliable dividends. However, low rates usually reduce allowable revenue for regulated utilities such as network operators Vector and Chorus.

Vector led the market lower, down 2.7 percent at \$3.65 on a volume of 97,000 shares, less than its 90-day average of 147,000. Chorus fell 2.1 percent to \$5.24 on a volume of 2.1 million, more than four times its 469,000 average.

Several blue-chip stocks were weaker on relatively large volumes, which he said weighed on the index. Kiwi Property Group fell 1.2 percent to \$1.61 on an unusually large volume of 4.8 million shares. Spark New Zealand decreased 1.1 percent to \$3.98 on a volume of 2.9 million - in line with its average volume - and Fisher & Paykel Healthcare was down 1.1 percent at \$15.80 with 982,000 shares changing hands, almost twice its 554,000 average.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,509.80	51.26	▼	0.44%
S&P/NZX 50 Index	10,655.36	48.75	▼	0.46%
S&P/NZX MidCap Index	30,324.88	187.17	▼	0.61%
S&P/NZX SmallCap Index	60,278.31	70.82	▲	0.12%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,485.90	4.90	▼	0.08%
S&P/ASX 200	6,405.50	2.60	▼	0.04%
ASX Small Ordinaries	2,767.70	19.40	▼	0.70%
S&P/ASX MIDCAP 50	6,745.30	23.70	▼	0.35%
S&P/ASX 20	3,561.70	5.20	▲	0.15%

Foreign Markets Index				
	Last	Change		
S&P 500	2,888.68	41.08	▲	1.44%
Dow Jones Industrial Average	25,886.01	306.61	▲	1.20%
NASDAQ Composite	7,895.99	129.37	▲	1.67%
DAX PERFORMANCE-INDEX	11,562.74	150.04	▲	1.31%
ASX All Ordinaries	6,485.90	4.90	▼	0.08%
NIKKEI 225	20,418.81	13.11	▲	0.06%
HANG SENG INDEX	25,734.22	238.72	▲	0.94%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9481	0.0007	▲	0.07%
USD	0.64	-0.0003	▼	0.05%
CNY	4.5270	0.0000	▲	0.00%
EUR	0.58	-0.0003	▼	0.05%
CAD	0.8533	-0.0004	▼	0.05%
GBP	0.53	0.0001	▲	0.02%
JPY	68.3350	-0.0800	▼	0.12%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.21			
5y Swap	0.93			
10y Swap	1.19			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,523.60	7.60	▼	0.50%
Silver	17.08	0.13	▼	0.75%
Crude Oil	54.94	0.47	▲	0.86%

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