

MORNING REPORT

As at 8.50 AM 19/06/2018

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 trade stoush rattles emerging markets, commodity currencies

The New Zealand dollar fell as the US versus China trade stoush weighed on currencies of emerging markets and commodity-exporting nations. The US dollar index is trading near its highest levels in almost 12 months.

The kiwi dollar declined to 69.38 US cents as at 5pm in Wellington from 69.48 cents in New York on Friday. The trade-weighted index was at 73.47 from 73.56.

The US dollar has strengthened in the face of escalating trade tensions and has also been buoyed by rising US interest rates. China responded to US tariffs on US\$50 billion of Chinese goods by targeting farm commodities and cars from the US for US\$34 billion of tariffs and flagging a further US\$16 billion of goods such as coal and oil that will face tariffs down the track. Among emerging market currencies, the Malaysian ringgit fell to its weakest level in about five months, trading recently at 3.9945 to the US dollar while the Australian dollar has fallen to its lowest levels against the greenback in almost 12 months.

"The market has become risk off, certainly in emerging markets today," said Tim Kelleher, head of institutional foreign exchange sales at ASB Bank. The Australian dollar appeared to be acting as a hedge for emerging currencies and dragging the kiwi lower with it.

The kiwi dollar fell to 93.18 Australian cents from 93.27 cents on Friday in New York.

NZ shares mixed, Mercury and Fletcher gain while Synlait, A2 drop

New Zealand shares were mixed, with Mercury New Zealand and Fletcher Building gaining while Synlait and A2 Milk fell.

The S&P/NZX 50 Index fell 1.52 points, or 0.02 percent, to 8,974.23. Within the index, 24 stocks rose, 19 fell and seven were unchanged. Turnover was \$119.6 million.

"We're faring pretty well all things being considered, US leads were down on issues about trade wars and implications and Australia is trading in the green but we're just marginally lower today," said Peter McIntyre, investment adviser at Craigs Investment Partners.

Mercury was the best performer, up 3.3 percent to \$3.45, while Australia & New Zealand Banking Group rose 1.9 percent to \$29.13 and Chorus gained 1.6 percent to \$4.24.

Precinct Properties gained 1.5 percent to \$1.335 and Argosy Property advanced 1.4 percent to \$1.075.

Fletcher Building rose 1.2 percent to \$6.88. On Thursday, the company is expected to announce its five-year strategy to the market, following a strategic review.

"The earlier information we had from Fletcher was around their ability to focus on New Zealand and Australia," McIntyre said. "It will be really interesting, Fletchers has been in the news quite a bit this year and it will drive their share price later in the week.

Synlait was the worst performer, down 2 percent to \$10.70. Freightways dropped 1.9 percent to \$7.81 and A2 Milk declined 1.8 percent to \$11.69.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,772.60	1.74	▼	0.02%
S&P/NZX 50 Index	8,974.23	1.52	▼	0.02%
S&P/NZX MidCap Index	25,356.52	60.44	▲	0.24%
S&P/NZX SmallCap Index	62,542.66	204.01	▲	0.33%
S&P/NZAX All Index	510.51	6.97	▲	1.38%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,212.80	7.50	▲	0.12%
S&P/ASX 200	6,104.10	10.10	▲	0.17%
ASX Small Ordinaries	2,878.80	1.20	▼	0.04%
S&P/ASX MIDCAP 50	6,951.10	7.90	▼	0.11%
S&P/ASX 20	3,336.60	4.10	▲	0.12%
Foreign Markets Index				
	Last	Change		
S&P 500	2,773.87	5.79	▼	0.21%
Dow Jones	24,987.47	103.01	▼	0.41%
NASDAQ Composite	7,747.03	0.65	▲	0.01%
FTSE	7,631.33	2.58	▼	0.03%
ASX All Ordinaries	6,212.80	7.50	▲	0.12%
NIKKEI 225	22,680.33	171.42	▼	0.75%
HANG SENG INDEX	30,309.49	130.68	▼	0.43%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9342	0.0028	▲	0.30%
USD	0.6931	0.0006	▼	0.09%
CNY	4.4630	0.0080	▼	0.18%
EUR	0.5966	0.0022	▼	0.37%
CAD	0.9149	0.0002	▲	0.02%
GBP	0.5233	0.0007	▼	0.13%
JPY	76.6135	0.1915	▼	0.25%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.67			
10-year Swap	3.13			
Commodities Futures				
	Last	Change		
Gold	1,281.20	2.70	▲	0.21%
Silver	16.49	0.01	▲	0.06%
Crude Oil	65.80	0.74	▲	1.14%

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