

MORNING REPORT

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Top News

NZ dollar firms on signs US-China trade talks moving forward

The New Zealand dollar got a lift from improving sentiment around US-China trade talks after President Donald Trump confirmed the two nations' leaders will meet in Japan at the end of the month.

Markets were cheered when Trump tweeted he had a "very good" telephone conversation with President Xi Jinping and said "we will be having an extended meeting next week at the G-20 in Japan. Our respective teams will begin talks prior to our meeting." China confirmed the meeting. The G-20 will take place in Osaka from June 28-29.

The kiwi was trading at 58.26 euro cents from 57.78 after a dovish speech from ECB President Mario Draghi in which he said "further cuts in policy interest rates and mitigating measures to contain any side effects remain part of our tools. And the asset purchase programme still has considerable headroom."

Gains in the kiwi, however, were capped by a 3.8 percent fall in the GDT index in the overnight Global Dairy Trade auction. Whole milk powder fell 4.3 percent to US\$3,006 a metric tonne.

The main focus, however, is on the US Federal Reserve ahead of tomorrow's policy announcement and statement, which will be closely scrutinised for any clues about when it might move to cut interest rates.

NZ shares gain as investors eye upcoming Fed meeting

New Zealand shares joined a rally across Asia, as investors have one eye on whether the Federal Reserve will signal lower US interest rates in what would be a further boon for equity markets. Vista Group International led the market higher.

Stocks across Asia were generally stronger, with Australia's S&P/ASX 200 Index up 0.5 percent in late trading and Singapore's Straits Times Index rising 0.8 percent. The Federal Open Market Committee will review US rates this week, and investors are hoping for a steer on whether the world's biggest central bank will cut its benchmark interest rate.

Tech stock Vista, an export firm which develops cinema analytics software, led the market higher. It was up 4.6 percent at a record close of \$6.12 on 93,000 shares, less than its 90-day average of 391,000.

Low rates have underpinned New Zealand's benchmark stock index and its large contingent of infrastructure companies, utilities, and property stocks which typically pay reliable dividends.

Infrastructure investor Infratil is among those firms, and closed at a record \$4.59, up 2.9 percent, on a volume of 1.2 million shares. That was almost twice its 90-day average. The company allotted 45.5 million shares issued under the retail component of its \$400 million capital raising.

Meridian Energy rose 2 percent to \$4.50 on a volume of 2 million shares, Ryman Healthcare advanced 1.9 percent to \$11.58, Contact Energy increased 1.3 percent to \$7.62 and Chorus was up 1.3 percent at \$5.85.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	11,014.09	24.97	▲ 0.23%
S&P/NZX 50 Index	10,191.33	21.07	▲ 0.21%
S&P/NZX MidCap Index	29,454.08	173.73	▲ 0.59%
S&P/NZX SmallCap Index	59,715.90	201.17	▲ 0.34%
S&P/NZAX All Index	561.31	1.74	▲ 0.31%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	6,647.90	38.50	▲ 0.58%
S&P/ASX 200	6,570.00	39.10	▲ 0.60%
ASX Small Ordinaries	2,836.50	15.70	▲ 0.56%
S&P/ASX MIDCAP 50	6,873.20	28.10	▲ 0.41%
S&P/ASX 20	3,689.60	25.70	▲ 0.70%

Foreign Markets Index			
	Last	Change	

S&P 500	2,917.75	28.08	▲ 0.97%
Dow Jones Industrial Average	26,465.54	353.01	▲ 1.35%
NASDAQ Composite	7,953.88	108.86	▲ 1.39%
DAX PERFORMANCE-INDEX	12,331.75	245.93	▲ 2.03%
ASX All Ordinaries	6,647.90	38.50	▲ 0.58%
NIKKEI 225	20,972.71	151.29	▼ 0.72%
HANG SENG INDEX	27,498.77	271.61	▲ 1.00%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9496	0.0001	▲ 0.01%
USD	0.65	0.0002	▲ 0.03%
CNY	4.5040	0.0000	▲ 0.00%
EUR	0.58	0.0001	▲ 0.02%
CAD	0.8742	0.0008	▲ 0.09%
GBP	0.52	0.0001	▲ 0.02%
JPY	70.8315	0.0220	▲ 0.03%

NZ Interest Rates			
	Last	Change	

NZ OCR	1.50		
3m Bank Bill	1.59		
5y Swap	1.47		
10y Swap	1.83		

Commodities Futures (Spot Price \$USD)			
	Last	Change	

Gold	1,350.10	7.20	▲ 0.54%
Silver	14.99	0.16	▲ 1.09%
Crude Oil	54.08	2.15	▲ 4.14%

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