



## MORNING REPORT

As at 9.00 AM 19/09/2018

Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

### Top News

#### NZ dollar falls vs Aussie on early signs of moderation in US-China trade war

The New Zealand dollar fell against its trans-Tasman counterpart as investors were buoyed by more moderate tariffs in the US-China trade stoush.

The Australian dollar was the best-performing G10 currency overnight, recently up 0.5 percent to 72.18 US cents, as investors took heart from the US and China imposing smaller tariffs than initially feared. The US introduced a 10 percent tariff on US\$200 billion of Chinese imports and China's responded by slapping 5-10 percent tariffs on US\$60 billion of American goods. Australia's bigger export exposure to China typically means its currency reacts to events there more sharply than the kiwi.

Traders will watch June quarter balance of payments due today. It is expected to show the annual current account deficit widened to 2.9 percent of gross domestic product from 2.8 percent in the first quarter. The Westpac-McDermott Miller consumer confidence will also attract attention.

The kiwi fell to 4.5160 Chinese yuan from 4.5207 yuan yesterday and increased to 73.94 yen from 73.79 yen. It was unchanged at 50.09 British pence and traded at 56.42 euro cents from 56.36 cents yesterday. The trade-weighted index was little changed at 71.48 from 71.57.

#### NZ shares gain as yields remain attractive in low rate environment

New Zealand shares rose as high dividend yields from the likes of Spark New Zealand and NZX remain attractive for investors in a low interest rate environment.

Stocks across Asia were muted in afternoon trading as investors were wary of the impact US President Donald Trump's latest tariffs on Chinese imports will have on global growth. Futures pricing pointed to a small decline on Wall Street. Still, New Zealand's market shrugged off those concerns with relatively high dividend yields attractive for investors.

Spark gained 1.9 percent to \$4.06, a yield of 6.3 percent, NZX rose 1.8 percent to \$1.11, a yield of 7 percent, Genesis Energy advanced 1.8 percent to \$2.55, with a yield of 6.7 percent, and Meridian Energy increased 1.5 percent to \$3.35, a yield of 5.8 percent.

Sky Network Television rose 2.9 percent to \$2.12, leading the market higher. The pay-TV operator has been trading near a post-Independent News Ltd merger low ahead of the stock's exit from the S&P/ASX 300 index at the end of the week.

Auckland International Airport increased 2.5 percent to \$7.145 after announcing plans to raise money through a retail bond. A number of listed companies have turned to the debt market as an alternative to cheap finance.

Exporters Comvita rose 2.6 percent to \$6.30 and Fisher & Paykel Healthcare gained 1.5 percent to \$15.32. Mainfreight, operating in Europe and North America, gained 0.5 percent to \$29.50.

#### NZX Index

Index	Last	Change
S&P/NZX All Index	10,132.95	44.97 ▲ 0.45%
S&P/NZX 50 Index	9,315.77	44.24 ▲ 0.48%
S&P/NZX MidCap Index	26,600.56	151.57 ▲ 0.57%
S&P/NZX SmallCap Index	63,590.62	73.86 ▼ 0.12%
S&P/NZAX All Index	538.30	3.34 ▲ 0.62%

#### ASX Index

Index	Last	Change
ASX All Ordinaries	6,269.50	24.40 ▼ 0.39%
S&P/ASX 200	6,161.50	23.50 ▼ 0.38%
ASX Small Ordinaries	2,807.00	25.40 ▼ 0.90%
S&P/ASX MIDCAP 50	7,053.00	36.30 ▼ 0.51%
S&P/ASX 20	3,392.40	9.30 ▼ 0.27%

#### Foreign Markets Index

	Last	Change
S&P 500	2,904.31	15.51 ▲ 0.54%
Dow Jones Industrial Average	26,246.96	184.84 ▲ 0.71%
NASDAQ Composite	7,956.11	60.32 ▲ 0.76%
DAX PERFORMANCE-INDEX	12,157.67	61.26 ▲ 0.51%
ASX All Ordinaries	6,269.50	24.40 ▼ 0.39%
NIKKEI 225	23,420.54	325.87 ▲ 1.41%
HANG SENG INDEX	27,084.66	151.81 ▲ 0.56%

#### Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9124	0.0041 ▼ 0.45%
USD	0.6586	0.0007 ▲ 0.11%
CNY	4.5170	0.0020 ▲ 0.04%
EUR	0.5645	0.0001 ▲ 0.02%
CAD	0.8541	0.0037 ▼ 0.43%
GBP	0.5010	0.0000 0.00%
JPY	73.9845	0.4010 ▲ 0.54%

#### NZ Interest Rates

	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.35	
10-year Swap	2.88	

#### Commodities Futures

	Last	Change
Gold	1,202.80	3.00 ▼ 0.25%
Silver	14.18	0.04 ▼ 0.30%
Crude Oil	69.79	0.88 ▲ 1.28%

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](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
Tel: +64 (9)304 0145 / NZ: 0800 474 669