



## MORNING REPORT

As at 9.00 AM 20/08/2018

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### Top News

#### NZ dollar may gain as US, China trade talks bolster investor confidence

The New Zealand dollar may extend gains as the prospect of US and China returning to the negotiating table soothed investors who were unsure whether a full-blown trade war would erupt.

The local currency sank to a two-and-a-half year low earlier this month as uncertainty over trade relations between the US and China was compounded by New Zealand's Reserve Bank signalling a flat interest rate track and raising the prospect of a cut, and fears that emerging market economies were coming under pressure. A trade war is seen as weighing heavily on New Zealand, which counts China as its largest foreign market and the US as its third-biggest.

A Wall Street Journal report that negotiators are trying to end their stoush ahead of planned meetings between US President Donald Trump and Chinese President Xi Jinping in November allayed some concerns.

No local data is scheduled for today in a quiet week for economic data. The annual central bankers' conference at Jackson Hole, Wyoming will be watched with Federal Reserve chair Jerome Powell scheduled to speak.

#### NZ shares gain as investors take stock in earnings season; Skellerup hits new highs

New Zealand shares rose as investors took stock in a brief lull to the domestic corporate earnings season, with Skellerup Holdings extending yesterday's gain to break a new record.

Earnings season took a breather today ahead of heavy reporting days next Wednesday and Thursday. Local investors took the opportunity to digest the early starters, such as Skellerup's record profit yesterday. The shares rose 4.8 percent to a record \$2.19, adding to yesterday's 4 percent gain.

Among other companies to have already reported, SkyCity Entertainment Group increased 1 percent to \$4.19, Freightways gained 0.5 percent to \$7.58, Contact Energy slipped 0.2 percent to \$5.80, Precinct Properties New Zealand was unchanged at \$1.415, while Summerset Group Holdings declined 0.9 percent to \$7.50.

Blue chip stocks underpinned the day's wider gain. Ryman Healthcare rose 3.7 percent to \$13.35, Air New Zealand increased 1.5 percent to \$3.37, Mainfreight advanced 1.3 percent to \$28.15, Spark New Zealand gained 0.9 percent to \$3.96 and Auckland International Airport was up 0.8 percent to \$6.865.

Tourism Holdings fell 0.5 percent to \$6.04 after saying chief financial officer Mark Davis was on a leave of absence for health reasons and won't be back until next month. The rental campervan operator delayed its full-year announcement by a week over the ill health.

Pushpay Holdings posted the largest decline, falling 1.1 percent to \$3.64. Arvida Group slipped 0.7 percent to \$1.34 and Fisher & Paykel Healthcare dropped 0.4 percent to \$14.90.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,855.86	55.84	▲	0.57%
S&P/NZX 50 Index	9,052.77	53.86	▲	0.60%
S&P/NZX MidCap Index	25,573.74	116.83	▲	0.46%
S&P/NZX SmallCap Index	64,635.61	126.16	▲	0.20%
S&P/NZAX All Index	531.57	4.81	▲	0.91%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,426.20	13.60	▲	0.21%
S&P/ASX 200	6,339.20	10.90	▲	0.17%
ASX Small Ordinaries	2,833.10	18.10	▲	0.64%
S&P/ASX MIDCAP 50	7,063.70	28.70	▲	0.41%
S&P/ASX 20	3,513.50	0.40	▲	0.01%
Foreign Markets Index				
	Last	Change		
S&P 500	2,850.13	9.44	▲	0.33%
Dow Jones Industrial Average	25,669.32	110.59	▲	0.43%
NASDAQ Composite	7,816.33	9.81	▲	0.13%
DAX PERFORMANCE-INDEX	12,210.55	26.62	▼	0.22%
ASX All Ordinaries	6,426.20	13.60	▲	0.21%
NIKKEI 225	22,270.38	78.34	▲	0.35%
HANG SENG INDEX	27,213.41	113.35	▲	0.42%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9074	0.0004	▲	0.04%
USD	0.6640	0.0001	▲	0.02%
CNY	4.5630	0.0000		0.00%
EUR	0.5803	0.0005	▼	0.09%
CAD	0.8671	0.0000		0.00%
GBP	0.5208	0.0002	▼	0.04%
JPY	73.4250	0.0700	▲	0.10%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.40			
10-year Swap	2.89			
Commodities Futures				
	Last	Change		
Gold	1,191.80	7.80	▲	0.66%
Silver	14.77	0.06	▲	0.42%
Crude Oil	65.92	0.46	▲	0.70%

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