

MORNING REPORT

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Top News

NZ dollar falls as fears about slowing Chinese growth weigh on commodity prices

The New Zealand dollar fell as growing fears of a slowing Chinese economy pushed down metal prices and weighed on currencies of nations producing raw materials.

The Thomson Reuters CRB commodity price index of 19 commonly traded raw materials fell 0.1 percent after reports that the People's Bank of China will use a medium-term lending facility to encourage banks to increase lending and buy corporate bonds, and take steps to cut borrowing costs for small businesses. Chinese authorities have been increasing interventions as the world's second-biggest economy deals with slower lending in its shadow banking sector and prepares for the fall-out from its trade war with the US.

Local data today include June migration and visitor arrival numbers, which are expected to show a slowing pace of net inbound migration.

Meantime, the greenback's gains were halted after US President Donald Trump told CNBC he wasn't happy with interest rate rises, which he said put the world's biggest economy at a disadvantage to nations with lower rates.

NZ shares down, led lower by A2 and Z

New Zealand shares dropped, led lower by A2 Milk Co and Z Energy, while Trustpower and Summerset gained.

A2 led the index lower, down 2.4 percent to \$10.75. Z fell 1.8 percent to \$7.17. Yesterday, the country's biggest fuel retailer cut full-year earnings guidance by \$30 million due to an extended shutdown at the Marsden Point oil refinery and high crude prices in the June quarter.

It is now forecasting operating earnings of \$420 million to \$455 million for the year through March 2019, down from previous guidance of \$450 million to \$485 million in earnings before interest, tax, depreciation and changes in financial instruments.

Goodman Property Trust dropped 1.7 percent to \$1.46, Pushpay Holdings fell 1.7 percent to \$4.18, and Synlait Milk declined 1.4 percent to \$10.70. Port of Tauranga dipped 1.2 percent to \$5.01.

Trustpower was the best performer, up 2.1 percent to \$5.77. The company gave an investor day presentation on Tuesday which McIntyre said has been very warmly received by market, due to the company saying there was potential for them to continue with special dividends.

Summerset gained 1.7 percent to \$7.80, Australia and New Zealand Banking Group rose 1.6 percent to \$32.06 and Kathmandu Holdings advanced 1.6 percent to \$3.16.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,707.08	33.32	▼	0.34%
S&P/NZX 50 Index	8,917.59	28.51	▼	0.32%
S&P/NZX MidCap Index	25,631.23	38.15	▲	0.15%
S&P/NZX SmallCap Index	63,179.78	172.85	▼	0.27%
S&P/NZAX All Index	530.18	0.00	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,355.00	25.90	▲	0.41%
S&P/ASX 200	6,262.70	17.60	▲	0.28%
ASX Small Ordinaries	2,850.20	21.40	▲	0.76%
S&P/ASX MIDCAP 50	7,048.60	47.10	▲	0.67%
S&P/ASX 20	3,471.70	8.30	▲	0.24%
Foreign Markets Index				
	Last	Change		
S&P 500	2,804.49	11.13	▼	0.40%
Dow Jones Industrial Average	25,064.50	134.79	▼	0.53%
NASDAQ Composite	7,825.30	29.15	▼	0.37%
FTSE 100	7,683.97	7.69	▲	0.10%
ASX All Ordinaries	6,355.00	25.90	▲	0.41%
NIKKEI 225	22,764.68	29.51	▼	0.13%
HANG SENG INDEX	28,010.86	106.56	▼	0.38%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9164	0.0022	▼	0.24%
USD	0.6744	0.0051	▼	0.75%
CNY	4.5660	0.0010	▲	0.02%
EUR	0.5790	0.0001	▼	0.02%
CAD	0.8951	0.0005	▲	0.06%
GBP	0.5180	0.0000		0.00%
JPY	75.8345	0.8265	▼	1.08%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.54			
10-year Swap	3.02			
Commodities Futures				
	Last	Change		
Gold	1,222.60	5.30	▼	0.43%
Silver	15.32	0.25	▼	1.63%
Crude Oil	69.57	0.81	▲	1.18%

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