



MORNING REPORT

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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

NZD slightly weaker against Aussie after Liberals' surprise victory

The New Zealand dollar was slightly weaker against its trans-Tasman counterpart - and may come under more pressure - after Australia's centre-right government won a surprise election victory over the weekend.

Despite trailing in most opinion polls, Australia's Prime Minister Scott Morrison waged a relentless attack on the Labor Party's progressive agenda to take action on climate change and strip tax perks from wealthy Australians, according to Bloomberg. At the same time, the government ran on its record of economic management, across-the-board tax cuts and a return to a budget surplus.

The kiwi was slightly higher against the greenback but Parekh said escalating tension in the US-China trade situation and better than expected US data will keep it under pressure.

This week's Federal Open Market Committee minutes - due early Thursday New Zealand time - will be closely watched as will a raft of Fed speakers at the Atlanta Fed's annual meeting. Fed chair Jerome Powell will speak on "Assessing Risks to our Financial System" later today in the US.

NZ shares rise; trading quiet ahead of upcoming earnings

New Zealand shares rose in quiet trading, as investors prepare for a flurry of earnings next week. Infratil entered a trading halt for the first tranche of a \$400 million capital raising.

The March and September balance date earnings season picks up speed next week, with a dozen or so companies scheduled to report. New Zealand's low interest rate environment continues to provide a tailwind for investors, as does a glut of bond redemptions and maturities that need to be reinvested.

Australia's federal election over the weekend has also given investors reason to sit on the sidelines and wait to see whether the Liberal-National coalition is returned or if the Australian Labor Party takes the treasury benches.

Infratil shares were halted at \$4.45 today for a \$100 million placement to institutional investors at \$4 a share. The company is then going to raise \$300 million in a 1-for-7.46 rights issue to help fund its share of the \$3.4 billion acquisition of Vodafone New Zealand. The new shares will also be entitled to the 11-cent final dividend declared as part of today's annual result.

NZX led the market higher, up 1.9 percent at \$1.09 on a volume of 417,000 shares, more than its 90-day average of 269,000. Sky Network Television rose 1.7 percent to \$1.23 and Vector advanced 1.6 percent to \$3.76.

Kiwi Property Group, which reports on Monday, rose 0.3 percent to \$1.535 on a volume of 1.4 million shares, while Goodman Property Trust, which reported this week, rose 0.3 percent to \$1.805 on a million units.

Auckland International Airport hit a record \$8.625, ending the day at \$8.57 on a volume of 1.1 million shares.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,016.05	7.85	▲	0.07%
S&P/NZX 50 Index	10,180.80	3.81	▲	0.04%
S&P/NZX MidCap Index	28,911.89	42.05	▲	0.15%
S&P/NZX SmallCap Index	59,764.33	127.46	▲	0.21%
S&P/NZAX All Index	605.97	0.00	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,460.20	42.70	▲	0.67%
S&P/ASX 200	6,365.30	37.50	▲	0.59%
ASX Small Ordinaries	2,843.20	27.70	▲	0.98%
S&P/ASX MIDCAP 50	6,869.90	55.40	▲	0.81%
S&P/ASX 20	3,515.40	11.90	▲	0.34%
Foreign Markets Index				
	Last	Change		
S&P 500	2,859.53	16.79	▼	0.58%
Dow Jones Industrial Average	25,764.00	98.70	▼	0.38%
NASDAQ Composite	7,816.28	81.77	▼	1.04%
DAX PERFORMANCE-INDEX	12,238.94	71.46	▼	0.58%
ASX All Ordinaries	6,460.20	42.70	▲	0.67%
NIKKEI 225	21,250.09	187.09	▲	0.89%
HANG SENG INDEX	27,946.46	328.64	▼	1.16%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9444	0.0002	▼	0.02%
USD	0.6528	0.0002	▲	0.03%
CNY	4.5120	0.0000		0.00%
EUR	0.5849	0.0001	▲	0.02%
CAD	0.8777	0.0002	▲	0.02%
GBP	0.5125	0.0000		0.00%
JPY	71.8950	0.0200	▲	0.03%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.50	0.25	▼	14.29%
3-month Bank Bill	1.71			
5-year Swap	1.68			
10-year Swap	2.07			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,277.40	8.80	▼	0.68%
Silver	14.39	0.15	▼	1.02%
Crude Oil	62.71	0.16	▼	0.25%

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www.equity.co.nz E-mail: Info@equity.co.nz

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