

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

NZ shares gain; appetite for KFC helps Restaurant Brands hit record

New Zealand shares rose, led by a recovery in fuel retailer Z Energy and as Restaurant Brands New Zealand hit a record.

The S&P/NZX 50 Index increased 26.2 points, or 0.2 percent, to 10,801.05. Within the index, 22 stocks rose, 17 fell, and 11 were unchanged. Turnover was \$95.5 million.

Stocks across Asia were mixed, as investors digested the Federal Reserve's divided outlook for interest rates after policymakers voted to cut the federal funds rate. The Shanghai Composite Index was flat in afternoon trading, Australia's S&P/ASX 200 Index was up 0.6 percent, and Hong Kong's Hang Seng was down 1.3 percent.

Local data showed the economy grew at a faster quarterly pace than predicted, as strength in the nation's services sector and agriculture more than made up for a contraction in construction and manufacturing.

Greg Smith, head of research at Fat Prophets, said the local economy is proving to be resilient, while at the same time fears for a global recession were subsiding, based on bond market pricing.

"The weak space for New Zealand is among consumers, but we've got a rate cut, and we probably are going to get another one later this year," he said.

Freightways, often seen as a bellwether stock for the economy, rose 0.9 percent to \$8.17.

NZ dollar weaker against British pound on EC president's Brexit optimism

The New Zealand dollar fell against the British pound after European Commission president Jean-Claude Juncker signalled a new Brexit deal may be possible before Oct. 31.

The kiwi was trading at 50.40 British pence at 8am in Wellington from 50.54 pence at 5pm and was at 63.00 US cents from 63.08 cents.

The pound was largely unmoved when the Bank of England left interest rates on hold as it waits for more clarity on Brexit. However, it gained ground when Juncker told Sky News "we can have a deal" on Brexit. He also said he was prepared to be flexible on the so-called backdrop deal long as there were alternative arrangements.

The pound "leapt later when EC President Juncker expressed optimism about a Brexit deal, saying he wasn't wedded to the Irish backstop as long as its objectives were met," said ANZ Bank senior economist Miles Workman.

The backstop arrangement is a stand-alone protocol aimed at ensuring the Irish border remains open.

Juncker said a no-deal Brexit would have "catastrophic consequences" and said he was doing "everything to get a deal."

Workman said investors will be watching for New Zealand's credit card spending data. While it is secondary data "the consumer mood is a hot topic at the moment," he said.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,657.73	1.37	▼ 0.01%
S&P/NZX 50 Index	10,801.05	0.31	▼ 0.00%
S&P/NZX MidCap Index	31,022.47	47.45	▼ 0.15%
S&P/NZX SmallCap Index	61,144.03	46.32	▼ 0.08%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,825.20	34.00	▲ 0.50%
S&P/ASX 200	6,717.50	35.90	▲ 0.54%
ASX Small Ordinaries	2,888.40	8.90	▲ 0.31%
S&P/ASX MIDCAP 50	7,099.70	33.50	▲ 0.47%
S&P/ASX 20	3,729.60	17.90	▲ 0.48%

Foreign Markets Index			
	Last	Change	
S&P 500	3,006.79	0.06	▲ 0.00%
Dow Jones	27,094.79	52.29	▼ 0.19%
NASDAQ Composite	8,182.88	5.49	▲ 0.07%
DAX	12,457.70	68.08	▲ 0.55%
ASX All Ordinaries	6,825.20	34.00	▲ 0.50%
NIKKEI 225	22,044.45	83.74	▲ 0.38%
HANG SENG INDEX	26,468.95	285.17	▼ 1.07%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9272	0.0022	▲ 0.24%
USD	0.63	-0.0017	▼ 0.27%
CNY	4.4710	-0.0050	▼ 0.11%
EUR	0.57	-0.0023	▼ 0.40%
CAD	0.8355	-0.0041	▼ 0.49%
GBP	0.50	-0.0036	▼ 0.72%
JPY	68.0660	-0.4300	▼ 0.63%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.14	
5y Swap	0.98	
10y Swap	1.27	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,506.50	9.30	▼ 0.61%
Silver	17.84	0.07	▼ 0.41%
Crude Oil	58.70	0.59	▲ 1.02%

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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