



MORNING REPORT

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Top News

NZ dollar range-bound; dairy auction provides support

The New Zealand dollar is range-bound ahead of a key meeting of central bankers later this week but found some support from better-than-expected dairy auction prices.

Dairy prices slipped 0.2 percent in the overnight GDT auction versus an expected 1.0 percent fall. The 2.1 percent lift in whole milk powder price was "particularly positive for our dairy producers," ANZ Bank said. WMP makes up the bulk of the GDT auction.

The main events this week, however, will be the release of the minutes from the latest FOMC meeting – due early Thursday New Zealand time. This will be followed by the annual Jackson Hole symposium, which will focus on "Challenges for Monetary Policy."

Fed chair Jerome Powell is due to speak Friday and his comments will be closely monitored for hints that more policy easing is in store, against the backdrop of ongoing trade tensions, said ANZ Bank. Markets are expecting another 25 basis point rate cut from the Fed in September.

NZ shares rise; Napier Port has promising debut

New Zealand shares rose as Napier Port Holdings climbed on debut, rising 13.5 percent to \$3 from its IPO price of \$2.60 a share.

Hamilton Hindin Greene investment adviser Grant Williamson said the local market was responding to strong markets overseas, with expectations interest rates may come down even further.

Napier Port was the standout today, trading as high as \$3.04, with more than 16.1 million shares changing hands. Hawke's Bay Regional Council raised \$234 million, selling 90 million shares, or 45 percent, of the port operator.

Meridian Energy, which reports earnings next Monday, was the biggest gainer in the benchmark index today, rising 4.9 percent to \$4.90. The 1.18 million shares traded was just ahead of its three-month average.

Mercury NZ nudged higher, closing at \$4.95, up 0.2 percent, as the energy supplier posted an 11 percent drop in earnings, less than forecast. Net profit was up to a record \$357 million from \$234 million, a result Williamson described as "pretty acceptable", given a difficult environment for electricity generators.

Fletcher Building shares rose 2.7 percent to \$4.57, with almost 1.1 million shares traded, close to its average. Williamson said there was a bit of bargain-hunting ahead of the construction firm's result tomorrow.

Z Energy led the market lower, falling 2.9 percent to \$6.42, on slightly higher than usual volume of 1.04 million shares after a draft report from the Commerce Commission today suggested fuel retailers may be earning close to \$400 million a year in excess returns, requiring changes to increase competition in wholesale fuel supply.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,667.95	107.92	▲	0.93%
S&P/NZX 50 Index	10,803.84	101.36	▲	0.95%
S&P/NZX MidCap Index	30,471.87	132.98	▲	0.44%
S&P/NZX SmallCap Index	60,771.24	335.00	▲	0.55%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,627.40	76.90	▲	1.17%
S&P/ASX 200	6,545.00	77.60	▲	1.20%
ASX Small Ordinaries	2,819.00	30.90	▲	1.11%
S&P/ASX MIDCAP 50	6,948.70	118.20	▲	1.73%
S&P/ASX 20	3,629.40	34.30	▲	0.95%

Foreign Markets Index				
	Last	Change		
S&P 500	2,900.51	23.14	▼	0.79%
Dow Jones Industrial Average	25,962.44	173.35	▼	0.66%
NASDAQ Composite	7,948.56	54.25	▼	0.68%
DAX PERFORMANCE-INDEX	11,651.18	64.19	▼	0.55%
ASX All Ordinaries	6,627.40	76.90	▲	1.17%
NIKKEI 225	20,677.22	114.06	▲	0.55%
HANG SENG INDEX	26,231.54	60.30	▼	0.23%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9466	-0.0002	▼	0.02%
USD	0.64	-0.0001	▼	0.02%
CNY	4.5330	0.0000	▲	0.00%
EUR	0.58	0.0000	▲	0.00%
CAD	0.8547	-0.0002	▼	0.02%
GBP	0.53	-0.0001	▼	0.02%
JPY	68.1540	-0.0145	▼	0.02%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.18			
5y Swap	0.98			
10y Swap	1.25			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,517.70	6.10	▲	0.40%
Silver	17.15	0.20	▲	1.21%
Crude Oil	56.18	0.03	▼	0.05%

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