

MORNING REPORT

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Top News

NZ shares dip: blue-chips give up recent gains, Infratil sheds dividend

New Zealand shares fell as blue-chip stocks trading near record-highs gave up some of their recent gains. Infratil led the market lower after shedding rights to its final dividend.

The S&P/NZX 50 Index decreased 14.07 points, or 0.1 percent, to 10,290.76. Within the index, 32 stocks fell, 16 rose, and two were unchanged. Turnover was \$125.8 million.

The local market was one of just four benchmark indices in the red across Asia, with equities generally stronger in the wake of a Federal Reserve policy review keeping the door open for lower interest rates in the US. The NZX hit an all-time high yesterday, with investors attracted to a large number of companies offering reliable dividends at a time when low rates limit investment options.

"Some stocks that performed well yesterday have completed reversed," said Grant Williamson, a director at Hamilton Hindin Greene.

Ebos Group fell 3.4 percent to \$22.70 on 104,000 shares, in line with its 90-day average. The healthcare and animal care products maker hit a record \$23.70 yesterday. Mainfreight declined 1.3 percent to \$39 on a bigger than usual volume of 102,000 shares, having peaked at \$40.25 on June 14.

Genesis Energy fell 1.1 percent to \$3.20 from yesterday's record of \$3.315, and Goodman Property Trust was down 0.3 percent at \$1.895, having hit an all-time high \$1.91 today.

Not all blue-chips retreated, with Meridian Energy hitting a record \$4.85 before closing at \$4.72, up 2.2 percent on a volume of 2.6 million shares. Auckland International Airport rose 1.9 percent to a record \$9.20 on 851,000 shares.

NZ dollar extends gain on Fed outlook, soft US data

The New Zealand dollar extended its gains against the greenback as weak US manufacturing data raised concern about a possible slowdown there.

The kiwi was trading at 65.89 US cents at 7:45 in Wellington versus 65.65 cents at 5pm yesterday. The trade-weighted index was at 72.05 from 72.03.

The US Federal Reserve yesterday joined global peers, including the European Central Bank and the Reserve Bank of Australia, in indicating that more policy stimulus is likely, which weighed on the US dollar. The greenback fell further overnight when the Philadelphia Fed's manufacturing survey fell 16.3 points to 0.3 in June from 16.6 in May, adding to the view that the US manufacturing sector is slowing. "Current indicators suggest moderating growth," according to the survey.

Thursday's news that the domestic economy grew 0.6 percent in the March quarter also helped support the local currency in overnight trading.

"Kiwi continued on an upward trajectory after the 1Q GDP showed the economy remained on solid ground. Its run was supported by broad USD weakness on the back of the FOMC meeting. With GDP now out of the way, markets will be looking ahead to next week's RBNZ meeting," said ANZ Bank FX/rates strategist Sandeep Parekh.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,116.69	23.54	▼ 0.21%
S&P/NZX 50 Index	10,290.76	20.93	▼ 0.20%
S&P/NZX MidCap Index	29,465.04	240.20	▼ 0.81%
S&P/NZX SmallCap Index	59,763.49	143.84	▼ 0.24%
S&P/NZX All Index	561.31	0.00	▼ 0.00%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,767.90	39.40	▲ 0.59%
S&P/ASX 200	6,687.40	39.30	▲ 0.59%
ASX Small Ordinaries	2,897.30	24.30	▲ 0.85%
S&P/ASX MIDCAP 50	7,036.30	70.20	▲ 1.01%
S&P/ASX 20	3,749.50	16.00	▲ 0.43%

Foreign Markets Index			
	Last	Change	
S&P 500	2,954.18	27.72	▲ 0.95%
Dow Jones	26,753.17	249.17	▲ 0.94%
NASDAQ Composite	8,051.34	64.02	▲ 0.80%
DAX	12,355.39	46.86	▲ 0.38%
ASX All Ordinaries	6,767.90	39.40	▲ 0.59%
NIKKEI 225	21,462.86	128.99	▲ 0.60%
HANG SENG INDEX	28,550.43	348.29	▲ 1.23%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9515	0.0017	▲ 0.18%
USD	0.66	0.0046	▲ 0.70%
CNY	4.5150	0.0010	▲ 0.02%
EUR	0.58	0.0011	▲ 0.19%
CAD	0.8693	0.0010	▲ 0.12%
GBP	0.52	0.0013	▲ 0.25%
JPY	70.6780	0.0095	▲ 0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.57	
5y Swap	1.36	
10y Swap	1.73	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,391.30	42.50	▲ 3.15%
Silver	15.41	0.46	▲ 3.06%
Crude Oil	56.88	3.12	▲ 5.80%

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