



MORNING REPORT

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Top News

NZ dollar gains as US, China trade tensions cool after successful negotiations

The New Zealand dollar gained as fears over a trade war between the US and China cooled after the world's two-biggest economies made headway in negotiations to avert tit-for-tat trade barriers.

US Treasury Secretary Steve Mnuchin told Fox news the trade war is on hold and the US won't impose harsh tariffs on China while negotiations are ongoing after receiving commitments from Asia's biggest economy for meaningful increases to agricultural and energy imports.

The measures aim to reduce the US's US\$200 billion trade deficit with China, a key goal for President Donald Trump. The threat of a trade war between the world's two biggest economies has weighed on trade-based economies such as New Zealand and Australia.

Eyes on Fed's Powell, FOMC minutes

A speech by Federal Reserve Chair Jerome Powell as well as the minutes from the latest US central bank meeting will form a key focus for investors trying to gauge how many more interest rate hikes might follow the one they're expecting next month.

Fresh data on the US economy will arrive in the form of reports on the Chicago Fed activity index, due today; Richmond Fed manufacturing index, due Tuesday; PMI composite, and new home sales, due Wednesday; weekly jobless claims, FHFA house price index, existing home sales, and Kansas City manufacturing index, due Thursday; and durable goods orders, and consumer sentiment, due Friday.

Wall Street ended steady to weaker on Friday. The Dow Jones Industrial Average finished the day little changed from the previous close, while the Standard & Poor's 500 Index fell 0.3 percent, while the Nasdaq Composite Index declined 0.4 percent.

NZ shares gain as Goodman JV sells Auckland precinct, Ryman posts record profit

New Zealand shares rose as Goodman Property Trust's joint venture with GIC sold seven buildings in downtown Auckland, and as Ryman Healthcare chalked up another record profit. A2 Milk Co and Comvita fell.

Goodman Property rose 2.2 percent to \$1.41. The real estate investor's joint venture with Singapore sovereign wealth fund GIC sold seven Auckland CBD buildings to US private equity firm Blackstone for \$635 million, meaning the NZX-listed property trust will reap \$323.9 million.

Ryman gained 2.5 percent to \$11.52. The Christchurch-based retirement home operator and developer lifted annual underlying earnings 14 percent to \$203.5 million and said it anticipates more growth with 16 villages in the pipeline.

A2 dropped 4 percent to \$11.30, rounding out a 13 percent slump for the week. The milk marketer missed expectations, prompting some analysts to reassess optimistic assumptions for the company's outlook.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,428.06	56.98	▲	0.61%
S&P/NZX 50 Index	8,657.33	53.95	▲	0.63%
S&P/NZX MidCap Index	25,020.72	216.58	▲	0.87%
S&P/NZX SmallCap Index	61,607.41	172.71	▲	0.28%
S&P/NZAX All Index	504.42	2.43	▼	0.48%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,190.90	6.30	▼	0.10%
S&P/ASX 200	6,087.40	6.90	▼	0.11%
ASX Small Ordinaries	2,823.40	16.70	▼	0.59%
S&P/ASX MIDCAP 50	6,883.20	19.20	▼	0.28%
S&P/ASX 20	3,360.40	0.50	▼	0.01%
Foreign Markets Index				
	Last	Change		
S&P 500	2,712.97	7.16	▼	0.26%
Dow Jones	24,715.09	1.11	▲	0.00%
NASDAQ Composite	7,354.34	28.13	▼	0.38%
FTSE	7,778.79	9.18	▼	0.12%
ASX All Ordinaries	6,190.90	6.30	▼	0.10%
NIKKEI 225	22,930.36	91.99	▲	0.40%
HANG SENG INDEX	31,047.91	105.76	▲	0.34%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9198	0.0003	▲	0.03%
USD	0.6918	0.0012	▲	0.17%
CNY	4.4040	#VALUE!	#VALUE!	
EUR	0.5878	0.0011	▲	0.19%
CAD	0.8908	0.0013	▲	0.15%
GBP	0.5136	0.0008	▲	0.16%
JPY	76.7250	0.2100	▲	0.27%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.75			
10-year Swap	3.28			
Commodities Futures				
	Last	Change		
Gold	1,291.70	2.30	▲	0.18%
Silver	16.47	0.02	▼	0.10%
Crude Oil	71.35	0.14	▼	0.20%

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