

MORNING REPORT

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Top News

NZ shares fall as Fletcher slumps to 9-yr low on profit warning

New Zealand shares fell as Fletcher Building slumped to a nine-year low after the country's biggest listed construction firm warned of weaker profit, and as growth stocks such as Pushpay Holdings followed Wall Street lower.

The S&P/NZX 50 index dropped 72.63 points, or 0.8 percent, to a three-week low of 8,720.30. Within the index, 21 stocks fell, 20 gained, and nine were unchanged. Turnover was \$180.8 million, of which A2 Milk accounted for \$41.9 million and Fletcher made up \$24.2 million.

Fletcher Building was the day's biggest decliner after it announced first-half operating earnings will be 10 percent lower than last year. The shares fell 11 percent, or 62 cents, to \$4.93, its lowest level since the depths of the GFC in 2009. It was the most traded stock with 4.8 million shares changing hands.

But Nigel Scott, an investment adviser at Craigs Investment Partners, says Fletcher isn't alone.

"If you look at Boral, James Hardie, Lend Lease, Adelaide Brighton, their charts look remarkably similar," Scott said, adding that story is about the weak Australian housing market.

Outside the benchmark index, Metro Performance Glass dropped 3.1 percent to a new record low of 62 cents. The glass products supplier has been struggling with an Australian acquisition during the past two years. Yesterday its shares sank 24 percent on news of a new entrant in the domestic market.

NZ dollar falls as fears over global growth push equities, commodities lower

The New Zealand dollar fell with other risk-sensitive assets as lingering US-China trade tensions keep investors nervous about the pace of global growth.

The kiwi declined to 67.99 US cents as at 8am in Wellington from 68.51 cents yesterday. The trade-weighted index fell to 74.34 from 74.65.

Stocks on Wall Street extended their decline, with the Dow Jones Industrial Average recently down 2.1 percent, in a holiday-shortened week. Tensions between the US and China were revived at the Apec leaders' meeting over the weekend, raising fears about the impact cooling global trade will have on company earnings.

Meanwhile, Brent crude oil prices dropped 6.5 percent to US\$62.44 a barrel on concern there may be too much supply.

Dairy prices unexpectedly fell at the GlobalDairyTrade auction with the GDT index down 3.5 percent. Whole milk powder prices fell a more modest 1.8 percent to US\$2,599 a tonne. Data yesterday showed New Zealand October milk production was a record due to strong pasture growth.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,509.57	80.49	▼	0.84%
S&P/NZX 50 Index	8,720.30	72.63	▼	0.83%
S&P/NZX MidCap Index	25,718.91	89.65	▼	0.35%
S&P/NZX SmallCap Index	61,702.52	469.47	▼	0.76%
S&P/NZAX All Index	514.93	4.28	▼	0.82%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,759.20	27.20	▼	0.47%
S&P/ASX 200	5,671.80	21.90	▼	0.38%
ASX Small Ordinaries	2,559.90	44.20	▼	1.70%
S&P/ASX MIDCAP 50	6,304.90	58.00	▼	0.91%
S&P/ASX 20	3,165.40	3.00	▲	0.09%
Foreign Markets Index				
	Last	Change		
S&P 500	2,642.24	48.49	▼	1.80%
Dow Jones	24,485.29	532.15	▼	2.13%
NASDAQ Composite	6,906.01	122.47	▼	1.74%
DAX	11,066.41	178.13	▼	1.58%
ASX All Ordinaries	5,759.20	27.20	▼	0.47%
NIKKEI 225	21,583.12	238.04	▼	1.09%
HANG SENG INDEX	25,840.34	531.66	▼	2.02%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9408	0.0034	▲	0.36%
USD	0.6790	0.0047	▼	0.69%
CNY	4.7230	0.0230	▼	0.48%
EUR	0.5976	0.0006	▲	0.10%
CAD	0.9036	0.0031	▲	0.34%
GBP	0.5313	0.0008	▼	0.15%
JPY	76.5690	0.3685	▼	0.48%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.56			
10-year Swap	3.02			
Commodities Futures				
	Last	Change		
Gold	1,221.50	3.80	▼	0.31%
Silver	14.27	0.13	▼	0.89%
Crude Oil	53.29	3.91	▼	6.84%

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