



## MORNING REPORT

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### Top News

#### NZ dollar rises on outlook for economy, increased risk sentiment

The New Zealand dollar rose for a seventh straight session on better-than-expected domestic economic growth, while a report that China is set to cut tariff rates on imports from the majority of its trading partners as soon as next month also bolstered risk sentiment and the currency.

A Statistics New Zealand report yesterday showed that gross domestic product grew 1 percent in the June quarter and expanded 2.8 percent for the year, surpassing economists' expectations on both counts and drastically reducing bets the central bank might soon cut interest rates.

Bolstering appetite for riskier investments including the kiwi was a Bloomberg report, citing two people familiar with the matter, that China is planning to cut average tariff rates on imports from the majority of its trading partners as soon as next month. The two people asked not to be named because the matter isn't public yet, according to Bloomberg.

Premier Li Keqiang said Wednesday that China would reduce tariffs, though he didn't elaborate; US President Donald Trump earlier this week escalated the trade war between the two nations by slapping additional tariffs on Chinese goods.

#### NZ shares rise as Tourism Holdings upgraded; Spark sheds dividend rights

New Zealand shares edged higher as Tourism Holdings snapped a seven-day slide on a broker upgrade. Spark New Zealand was among several companies shedding rights to dividends.

Grant Williamson, a director at Hamilton Hindin Greene, said the index had teetered between negative and positive territory and largely ignored Wall Street's gain overnight.

Tourism Holdings rose 4.1 percent to \$5.30 after Forsyth Barr upgraded the stock to 'outperform', saying fears about valuation were overdone. The rental campervan operator had shed 11 percent in a seven-day decline that took the stock to a 10-month low. Forsyth Barr kept its target price at \$6.

The power companies mostly gained after government data showed renewable energy generation was at a 37-year high in the June quarter. The Tiwai Point smelter, the country's biggest power user, is close to restarting its fourth potline after a six-year break, Meridian Energy said.

Genesis Energy rose 1.2 percent to \$2.575, Meridian increased 1.2 percent to \$3.40, Trustpower advanced 0.2 percent to \$6.06 and Contact Energy gained 1 percent to \$5.90. Mercury NZ was unchanged at \$3.35.

Among the blue-chip stocks, A2 Milk Co rose 0.9 percent to \$12.38, Mainfreight increased 0.3 percent to \$29.90, Air New Zealand declined 0.2 percent to \$3.17 and Fletcher Building decreased 1.4 percent to \$6.23.

Spark fell 2.1 percent, or 8.5 cents, to \$3.98, after shedding rights to dividends of 12.5 cents per share. Chorus declined 0.5 percent to \$4.975. Williamson said both telecommunications stocks hit respective records yesterday and investors were taking some profit on recent gains.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,179.14	6.19	▼	0.06%
S&P/NZX 50 Index	9,360.87	9.31	▼	0.10%
S&P/NZX MidCap Index	26,672.53	47.97	▲	0.18%
S&P/NZX SmallCap Index	63,575.23	205.80	▲	0.32%
S&P/NZAX All Index	534.69	2.97	▼	0.55%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,276.90	20.10	▼	0.32%
S&P/ASX 200	6,169.50	20.50	▼	0.33%
ASX Small Ordinaries	2,813.80	7.90	▼	0.28%
S&P/ASX MIDCAP 50	7,050.80	37.70	▼	0.53%
S&P/ASX 20	3,407.90	3.70	▼	0.11%
Foreign Markets Index				
	Last	Change		
S&P 500	2,930.75	22.80	▲	0.78%
Dow Jones Industrial Average	26,656.98	251.22	▲	0.95%
NASDAQ Composite	8,028.23	78.19	▲	0.98%
DAX PERFORMANCE-INDEX	12,326.48	107.46	▲	0.88%
ASX All Ordinaries	6,276.90	20.10	▼	0.32%
NIKKEI 225	23,674.93	2.41	▲	0.01%
HANG SENG INDEX	27,477.67	70.30	▲	0.26%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9170	0.0067	▲	0.74%
USD	0.6686	0.0072	▲	1.09%
CNY	4.5780	0.0500	▲	1.10%
EUR	0.5677	0.0012	▲	0.21%
CAD	0.8627	0.0083	▲	0.97%
GBP	0.5039	0.0000		0.00%
JPY	75.1945	0.9465	▲	1.27%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.42			
10-year Swap	2.94			
Commodities Futures				
	Last	Change		
Gold	1,212.20	3.90	▲	0.32%
Silver	14.35	0.07	▲	0.49%
Crude Oil	70.77	0.35	▼	0.49%

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