



MORNING REPORT

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Top News

NZ dollar gains as China rejects currency manipulation claims

The New Zealand dollar gained as Chinese authorities rejected assertions from US President Donald Trump that the world's most populous nation was manipulating its currency.

The US dollar index fell 0.7 percent as traders latched on to Trump's comments in an interview with Reuters accusing China of manipulating the yuan, which has depreciated 5.3 percent since the start of the year to 6.8444 per US dollar.

People's Bank of China monetary policy director Li Bo rejected the claim, saying the central bank "won't use policy to devalue the yuan and we won't use the exchange rate as a weapon to react to external pressures from trade conflicts". The kiwi rose to 4.5789 yuan from 4.5590 yuan yesterday.

Currency traders largely ignored the latest Global Dairy Trade auction, where prices fell 3.6 percent across all products. Whole milk powder prices fell 2.1 percent to US\$2,883 a tonne.

Local data today include June quarter retail sales which are expected to show a modest gain, coming before the government's families package injected cash into low-income households.

NZ shares at fresh high, Vector, A2 gain while Pushpay, Comvita drop

New Zealand shares inched to a fresh record ahead of tomorrow's bumper results day, led higher by Vector and A2 Milk Co.

Vector led the index higher, up 2.7 percent to \$3.37. A2 Milk Co rose 1.8 percent to \$11.13 ahead of its earnings announcement tomorrow, while NZX gained 1.8 percent to \$1.12.

Also due to report earnings tomorrow are Meridian Energy, which rose 1.3 percent to \$3.25; Trade Me, which rose 0.2 percent to \$4.71; Spark New Zealand, which fell 0.3 percent to \$3.98; and Fletcher Building, which dropped 1.4 percent to \$6.90.

Comvita dropped 0.9 percent to \$5.65. It turned to a full-year operating profit from a loss a year earlier and said it has a positive outlook for the current financial year as it invests in mānuka honey supply. New Zealand's only listed honey company posted an after-tax operating profit of \$9.3 million in the year ended June 30, within its forecast range of \$8 million-to-\$11 million, and marking a turnaround from a loss of \$5.5 million in the year-earlier period.

Mercury New Zealand dipped 0.2 percent to \$3.405. It reported a record \$561 million in operating earnings on the back of record generation and high wholesale power prices.

The company, the country's third-largest power and gas retailer by accounts, reported a 27 percent increase in net profit to \$234 million for the year ended June 30, from \$184 million a year earlier. Earnings before interest, tax, depreciation, amortisation and changes in financial instruments rose to a record \$561 million, up 7 percent from \$523 million a year earlier.

| NZX Index | | | | |
|----------------------------|-----------|--------|---|-------|
| Index | Last | Change | | |
| S&P/NZX All Index | 9,924.76 | 8.37 | ▲ | 0.08% |
| S&P/NZX 50 Index | 9,115.78 | 5.80 | ▲ | 0.06% |
| S&P/NZX MidCap Index | 25,657.22 | 48.84 | ▲ | 0.19% |
| S&P/NZX SmallCap Index | 64,554.37 | 58.37 | ▼ | 0.09% |
| S&P/NZAX All Index | 543.19 | 7.84 | ▲ | 1.46% |
| ASX Index | | | | |
| Index | Last | Change | | |
| ASX All Ordinaries | 6,383.00 | 52.10 | ▼ | 0.81% |
| S&P/ASX 200 | 6,284.40 | 60.60 | ▼ | 0.96% |
| ASX Small Ordinaries | 2,851.60 | 9.30 | ▲ | 0.33% |
| S&P/ASX MIDCAP 50 | 7,058.30 | 20.10 | ▼ | 0.28% |
| S&P/ASX 20 | 3,463.60 | 47.50 | ▼ | 1.35% |
| Foreign Markets Index | | | | |
| | Last | Change | | |
| S&P 500 | 2,862.96 | 5.91 | ▲ | 0.21% |
| Dow Jones | 25,822.29 | 63.60 | ▲ | 0.25% |
| NASDAQ Composite | 7,859.17 | 38.17 | ▲ | 0.49% |
| DAX | 12,384.49 | 53.19 | ▲ | 0.43% |
| ASX All Ordinaries | 6,383.00 | 52.10 | ▼ | 0.81% |
| NIKKEI 225 | 22,219.73 | 20.73 | ▲ | 0.09% |
| HANG SENG INDEX | 27,752.79 | 154.77 | ▲ | 0.56% |
| Currencies (per NZ\$ 1.00) | | | | |
| | Last | Change | | |
| AUD | 0.9091 | 0.0037 | ▲ | 0.41% |
| USD | 0.6691 | 0.0046 | ▲ | 0.69% |
| CNY | 4.5820 | 0.0250 | ▲ | 0.55% |
| EUR | 0.5787 | 0.0001 | ▲ | 0.02% |
| CAD | 0.8728 | 0.0062 | ▲ | 0.72% |
| GBP | 0.5189 | 0.0000 | | 0.00% |
| JPY | 73.8150 | 0.6755 | ▲ | 0.92% |
| NZ Interest Rates | | | | |
| | Last | Change | | |
| NZ OCR | 1.75 | | | |
| 3-month Bank Bill | 1.94 | | | |
| 5-year Swap | 2.38 | | | |
| 10-year Swap | 2.87 | | | |
| Commodities Futures | | | | |
| | Last | Change | | |
| Gold | 1,203.20 | 8.60 | ▲ | 0.72% |
| Silver | 14.77 | 0.10 | ▲ | 0.68% |
| Crude Oil | 67.32 | 0.89 | ▲ | 1.34% |

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