



MORNING REPORT

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Top News

NZD weaker against USD, weighed down by weaker Aussie

The New Zealand dollar fared better against the Aussie but lost ground against the US dollar after Westpac Bank said it now expects the Reserve Bank of Australia to cut rates twice this year.

The Aussie took a tumble when Westpac Bank said it expects the RBA to cut the cash rate by 25 basis points in August and then in November, bringing it to 1.0 percent. The bank also revised down its GDP growth forecasts for 2019 and 2020 from 2.6 percent to 2.2 percent.

Kendall said, however, trading in the Aussie was turbulent as it was boosted by strong employment, fell on the Westpac announcement, saw some gains on positive China-US trade headlines but then sank on news that China's Dalian port will ban coal imports.

Customs at China's northern port of Dalian has banned imports of Australian coal and will cap overall coal imports from all sources to the end of 2019 at 12 million tonnes, an official at Dalian Port Group told Reuters.

On trade, China is reported to have offered to buy an extra US\$30 billion a year in agricultural products. Kendall said, however, it would have little direct implications for New Zealand, since it would consist in soybeans, corn and wheat, commodities New Zealand doesn't export.

NZ shares gain; a2 hits new record, F&P climbs on patent deal

New Zealand shares rose for a second day as a2 Milk reached a record following its strong earnings yesterday and Fisher & Paykel Healthcare jumped on the end of a costly, long-running patent dispute.

F&P Health led the market higher, rising 6.8 percent to \$14.29 on volume of 1.4 million shares, more than twice its average. The breathing mask maker settled a long-running dispute with rival ResMed across the US, UK, Europe, Australia and New Zealand, having racked up millions of dollars in legal fees in the process. Both parties have now decided to settle with no payment or admission of liability.

A2 rose as high as \$14.85, a new record, and ended the session up 4.2 percent at \$14.82. Volume was bigger than usual at 2 million shares. The milk marketing firm beat earnings expectations yesterday and has resumed its place as the biggest listed company on the NZX, with a market capitalisation of almost \$10.9 billion.

Meridian Energy, the second-biggest listed company, rose 1.4 percent to \$3.63 on an average volume of 1.3 million shares. The electricity generator reported record earnings yesterday, although some investors were unnerved by weakness at Meridian's Australian arm.

Auckland International Airport, the third-biggest listed company, increased 0.1 percent to \$7.35, with 1.8 million shares changing hands, almost twice its average volume. The airport operator reports earnings tomorrow and is expected to respond to the Commerce Commission's concerns that it plans to overcharge customers for its major upgrade.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,081.10	50.60	▲	0.50%
S&P/NZX 50 Index	9,300.81	51.37	▲	0.56%
S&P/NZX MidCap Index	26,731.79	49.46	▼	0.18%
S&P/NZX SmallCap Index	58,468.30	86.36	▼	0.15%
S&P/NZAX All Index	558.20	2.95	▼	0.53%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,214.60	38.80	▲	0.63%
S&P/ASX 200	6,139.20	42.70	▲	0.70%
ASX Small Ordinaries	2,729.50	3.80	▲	0.14%
S&P/ASX MIDCAP 50	6,609.40	26.60	▲	0.40%
S&P/ASX 20	3,426.20	32.50	▲	0.96%
Foreign Markets Index				
	Last	Change		
S&P 500	2,766.60	18.10	▼	0.65%
Dow Jones Industrial Average	25,780.88	173.56	▼	0.67%
NASDAQ Composite	7,437.82	51.25	▼	0.68%
DAX PERFORMANCE-INDEX	11,423.28	21.31	▲	0.19%
ASX All Ordinaries	6,214.60	38.80	▲	0.63%
NIKKEI 225	21,464.23	32.74	▲	0.15%
HANG SENG INDEX	28,629.92	115.87	▲	0.41%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9613	0.0042	▲	0.44%
USD	0.6805	0.0051	▼	0.74%
CNY	4.5720	0.0400	▼	0.87%
EUR	0.6003	0.0043	▼	0.71%
CAD	0.8999	0.0035	▼	0.39%
GBP	0.5219	0.0035	▼	0.67%
JPY	75.3030	0.6835	▼	0.90%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.07			
10-year Swap	2.47			
Commodities Futures				
	Last	Change		
Gold	1,329.60	18.30	▼	1.36%
Silver	15.81	0.37	▼	2.27%
Crude Oil	56.92	0.24	▼	0.42%

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