

MORNING REPORT

As at 9.00 AM 22/01/2019

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Top News

NZ dollar stalled ahead of CPI data; IMF trims global outlook

The New Zealand dollar was little changed with investors awaiting tomorrow's local consumer price data for guidance on the future interest rate track here.

Manufacturing data in the US on Friday was stronger than expected, while China's slightly slower 6.4 percent GDP growth in the December quarter was as expected yesterday and stirred little reaction although it was the slowest since 1990.

Investors are sifting mixed signals in both the international and domestic economies for growth indicators for the rest of the year. Weak local December credit card spending and house sales was balanced by another strong lift in dairy prices. Employment also remains strong.

While a 50 percent chance of an interest rate cut by November is priced into wholesale interest rate markets, that seems unnecessary given that full employment, buoyant domestic demand and solid export growth should deliver GDP growth of more than 3 percent a year through to 2020.

NZ stocks gain; investors seek value ahead of earnings season

New Zealand shares rose as investors picked through mixed local and international economic signals to focus on firms likely to do better in a slowing environment.

Spark New Zealand, up 0.3 percent at \$4.05, again led turnover with 3.6 million shares changing hands. That was slightly ahead of the daily average for the past three months.

Second was Trade Me Group, unchanged at \$6.33. About 1.8 million shares traded today, almost twice the daily average. Last month the company agreed to a scheme implementation agreement under which UK-based Apax Partners will acquire all its shares at \$6.45 apiece, subject to shareholder and court approval and no better offers emerging. A vote is expected in April.

Stocks in the US had a strong finish to the week on the back of better than expected manufacturing data and optimism China is prepared to cut back its trade deficit with the US. The S&P500 closed 1.3 percent higher.

Cinema software company Vista Group International was the biggest gainer in the local benchmark index today. Late last year the firm settled new contracts with 123 Odeon Cinemas Group locations in Britain and Ireland. The stock rose 3.1 percent to \$4.05.

Trustpower rose 0.5 percent to \$6.22. The country's fifth-largest power retailer reiterated its March-year guidance. While generation volumes in the nine months through December were down on the year before, average generation prices were 31 percent higher at \$117/MWh.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,925.08	53.98	▲ 0.55%
S&P/NZX 50 Index	9,148.57	50.86	▲ 0.56%
S&P/NZX MidCap Index	26,660.33	197.01	▲ 0.74%
S&P/NZX SmallCap Index	58,586.87	146.49	▲ 0.25%
S&P/NZAX All Index	524.22	7.72	▲ 1.49%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,953.50	12.30	▲ 0.21%
S&P/ASX 200	5,890.40	10.80	▲ 0.18%
ASX Small Ordinaries	2,564.30	1.80	▲ 0.00%
S&P/ASX MIDCAP 50	6,473.00	28.10	▲ 0.44%
S&P/ASX 20	3,299.20	4.90	▲ 0.15%

Foreign Markets Index			
	Last	Change	
S&P 500	2,670.71	34.75	▲ 1.32%
Dow Jones Industrial Average	24,706.35	336.25	▲ 1.38%
NASDAQ Composite	7,157.23	72.77	▲ 1.03%
DAX PERFORMANCE-INDEX	11,136.20	69.34	▼ 0.62%
ASX All Ordinaries	5,953.50	12.30	▲ 0.21%
NIKKEI 225	20,719.33	53.26	▲ 0.26%
HANG SENG INDEX	27,196.54	105.73	▲ 0.39%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9399	0.0017	▼ 0.18%
USD	0.6729	0.0020	▼ 0.30%
CNY	4.5710	0.0020	▼ 0.04%
EUR	0.5918	0.0013	▼ 0.22%
CAD	0.8945	0.0006	▼ 0.07%
GBP	0.5220	0.0020	▼ 0.38%
JPY	73.7700	0.2750	▼ 0.37%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.16	
10-year Swap	2.62	

Commodities Futures			
	Last	Change	
Gold	1,279.60	12.70	▼ 0.98%
Silver	15.28	0.25	▼ 1.62%
Crude Oil	53.90	1.83	▲ 3.51%

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