



MORNING REPORT

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Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

Top News

NZ dollar dips back below 69 US cents, focus shifting to RBNZ

The New Zealand dollar fell back below 69 US cents after better-than-expected US data and uncertainty over US-China trade and Brexit.

The kiwi was trading at 68.72 cents at 8am in Wellington versus 69.12 US cents at 5pm in Wellington. The trade-weighted index was at 74.36 from 74.58.

Meanwhile, Prime Minister Theresa May is back in Brussels trying to obtain an extension to the March 29 Brexit deadline. There could be an emergency EU Brexit Summit next week and the UK Parliament is likely to vote on the Withdrawal Agreement again next week.

Domestically the focus is now on the Reserve Bank's monetary policy decision next Wednesday. News the economy expanded 0.6 percent in the fourth quarter added to the view that the central bank is unlikely to change its messages. It is widely expected to keep rates on hold at a record low 1.75 percent and reiterate the next move could be up or down.

NZ shares rise on Fed restraint, local GDP growth; Auckland Airport slides

New Zealand shares rose after the US Federal Reserve signalled no rate rises there this year and local GDP data came in stronger than many economists had expected. Auckland International Airport extended its decline from a record, while also shedding rights to its interim dividend.

The S&P/NZX 50 Index rose 25.61 points, or 0.3 percent, to 9,461.31. Within the index, 19 stocks rose, 24 fell, and seven were unchanged. Turnover was light at \$87.7 million.

Stock markets across Asia were mixed with Australia's S&P/200 index down 0.4 percent in afternoon trading, Hong Kong's Hang Seng rose 0.2 percent, and Singapore's Straits Times Index was barely changed.

The Fed lowered its 2019 growth outlook for the US economy to 2.1 percent from the 2.3 percent it was expecting in December.

Meridian Energy, the country's biggest power generator, led the market higher, up 2.9 percent at \$3.995. The 643,000 shares traded were about half the daily volume of the past three months.

Air New Zealand was the biggest decliner, down 3.3 percent at \$2.23. Almost 1.7 million shares changed hands, close to twice the recent average.

Auckland Airport fell 1.4 percent, or 11 cents, at \$7.845. The country's biggest gateway closed at a record on Monday and has declined for the past three days. It shed rights to an 11 cent dividend today.

Spark New Zealand was the most traded stock on a volume of 5.9 million shares, close to the average volume during the past three months. It fell 0.6 percent to \$3.54.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,254.78	10.21	▲	0.10%
S&P/NZX 50 Index	9,461.31	9.24	▲	0.10%
S&P/NZX MidCap Index	27,280.22	85.20	▼	0.31%
S&P/NZX SmallCap Index	58,410.12	60.30	▲	0.10%
S&P/NZAX All Index	585.87	0.73	▲	0.12%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,253.50	1.70	▲	0.03%
S&P/ASX 200	6,167.20	1.90	▲	0.03%
ASX Small Ordinaries	2,769.30	6.30	▼	0.23%
S&P/ASX MIDCAP 50	6,626.80	9.20	▼	0.14%
S&P/ASX 20	3,435.30	7.40	▲	0.22%
Foreign Markets Index				
	Last	Change		
S&P 500	2,855.01	30.78	▲	1.09%
Dow Jones Industrial Average	25,963.77	218.10	▲	0.85%
NASDAQ Composite	7,838.96	109.99	▲	1.42%
DAX PERFORMANCE-INDEX	11,549.96	53.93	▼	0.46%
ASX All Ordinaries	6,253.50	1.70	▲	0.03%
NIKKEI 225	21,608.92	42.07	▲	0.20%
HANG SENG INDEX	29,071.56	249.41	▼	0.85%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9667	0.0002	▼	0.02%
USD	0.6875	0.0007	▼	0.10%
CNY	4.6030	0.0010	▼	0.02%
EUR	0.6049	0.0020	▲	0.33%
CAD	0.9194	0.0040	▲	0.44%
GBP	0.5250	0.0033	▲	0.63%
JPY	76.1765	0.0190	▼	0.02%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.88			
5-year Swap	1.92			
10-year Swap	2.29			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,308.20	6.50	▲	0.50%
Silver	15.46	0.14	▲	0.93%
Crude Oil	59.82	0.41	▼	0.68%

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www.equity.co.nz E-mail: Info@equity.co.nz

Contact Equity Investment Advisers today.
Tel: +64 (9)304 0145 / NZ: 0800 474 669