



# MORNING REPORT

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## Top News

### Wall St rallies as US puts 'trade war on hold'

Wall Street rallied amid optimism that the US is backing off its recent protectionist stance in an effort to resolve an international trade dispute with China.

Meanwhile, NAFTA talks between the US, Mexico and Canada also continue, and Mnuchin warned Monday that "there are still some very significant, open issues."

The Dow rose, led by gains in shares of Boeing and those of General Electric, recently up 3.8 percent and 2.9 percent respectively. The only Dow stocks to post declines were Merck and Johnson & Johnson, recently down 0.9 percent and 0.3 percent respectively.

### NZ dollar gains as truce in US, China trade war boosts commodity-linked currencies

The New Zealand dollar rose back above 69 US cents as a truce in the trade war between US and China spurred on demand for commodity-linked currencies.

The Thomson Reuters CRB index of 19 commonly traded commodities rose 1 percent and Brent Crude oil gained 1.2 percent to US\$79.44 a barrel as investors remained upbeat about the successful trade talks between the world's two biggest economies, which would increase US exports of agricultural and energy products to China.

US President Donald Trump tweeted the potential deal would mean China "will purchase from our Great American Farmers practically as much as our Farmers can produce". The positive outlook for commodities comes ahead of a Fonterra Cooperative Group board meeting, which is expected to lift the forecast farmgate payout to New Zealand farmers.

The optimism over the global trade outlook unwound the kiwi dollar's losses yesterday after weaker-than-expected consumer spending weighed on the outlook for domestic economic growth in the first quarter.

### NZ shares down, Comvita, A2, Kiwi Property weaken while Veritas shares double in price

New Zealand shares dropped, led lower by Comvita as its possible takeover failed, with A2 Milk continuing last week's losses and Kiwi Property Group dropping on its earnings.

Comvita led the index lower, dropping 8 percent to \$6.23. The honey products exporter has pulled out of talks with an unnamed third party looking to take it over when it couldn't reach a deal on price.

A2 Milk Co fell 2.3 percent to \$11.04. Last week, the milk marketer's shares slumped 13 percent after it missed expectations, prompting some analysts to reassess what have been optimistic assumptions for the company's outlook.

Pushpay Holdings was the best performer, up 2 percent to \$4.07.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,388.17	40.76	▼ 0.43%
S&P/NZX 50 Index	8,615.72	42.44	▼ 0.49%
S&P/NZX MidCap Index	24,977.66	48.88	▼ 0.20%
S&P/NZX SmallCap Index	61,884.96	277.55	▲ 0.45%
S&P/NZAX All Index	505.62	1.20	▲ 0.24%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,190.20	0.70	▼ 0.01%
S&P/ASX 200	6,084.50	2.90	▼ 0.05%
ASX Small Ordinaries	2,838.40	15.00	▲ 0.53%
S&P/ASX MIDCAP 50	6,880.00	3.20	▼ 0.05%
S&P/ASX 20	3,355.50	4.90	▼ 0.15%

Foreign Markets Index			
	Last	Change	
S&P 500	2,733.01	20.04	▲ 0.74%
Dow Jones	25,013.29	298.20	▲ 1.21%
NASDAQ Composite	7,394.04	39.70	▲ 0.54%
FTSE	7,859.17	80.38	▲ 1.03%
ASX All Ordinaries	6,190.20	0.70	▼ 0.01%
NIKKEI 225	23,002.37	72.01	▲ 0.31%
HANG SENG INDEX	31,234.35	186.44	▲ 0.60%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9161	0.0037	▼ 0.40%
USD	0.6948	0.0029	▲ 0.42%
CNY	4.4340	0.0300	▲ 0.68%
EUR	0.5892	0.0015	▲ 0.26%
CAD	0.8886	0.0023	▼ 0.26%
GBP	0.5174	0.0037	▲ 0.72%
JPY	77.1255	0.3905	▲ 0.51%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.71	
10-year Swap	3.23	

Commodities Futures			
	Last	Change	
Gold	1,292.60	1.30	▲ 0.10%
Silver	16.53	0.08	▲ 0.49%
Crude Oil	72.57	1.29	▲ 1.81%

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