

MORNING REPORT

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Top News

NZ shares edge lower as global ructions weigh; Tourism Holdings sinks

New Zealand shares edged lower as global investors were unnerved by the uncertainty over the Brexit outcome and a slowing pace of growth in China. Tourism Holdings dropped to a two-month low.

The S&P/NZX 50 Index decreased 4.37 points, or 0.04 percent, to 11,062.75. Within the index, 25 stocks fell, 19 rose, and six were unchanged. Turnover was \$101 million.

Stocks across Asia were mixed, with Australia's S&P/ASX 200 Index down 0.1 percent in afternoon trading, Singapore's Straits Times Index was up 1 percent and China's Shanghai Composite Index was flat.

Investors have one eye on Wall Street for a steer on the global economy as US-listed companies report September-quarter earnings. The other is on the geopolitical uncertainty stemming from Britain's planned exit from the European Union and the ongoing trade war between China and the US.

Peter McIntyre, an investment advisor at Craigs Investment Partners, said investors are on high alert for what's happening overseas, ranging from the US earnings season, Brexit, the Hong Kong protests, and slowing Chinese economic growth.

NZ dollar hovers near 64 US cents in favourable risk environment

The New Zealand dollar continues to hover around 64 US cents as risk appetite remained firm.

The kiwi was trading at 63.97 US cents at 7:50 am in Wellington from 64.00 cents at 5pm. The trade-weighted index was at 70.65 points from 70.69.

"With little data on offer overnight, progress on US-China trade and Brexit negotiations kept markets in a risk-on setting, which saw the USD continue to weaken more broadly and risk assets, like the kiwi, buoyed," said ANZ FX/rates strategist Sandeep Parekh.

President Donald Trump continued to speak optimistically about the possibility of a deal to end the US trade war with China, telling reporters at the White House the trade deal is coming along great, according to Reuters.

The kiwi is also benefiting from a weaker dollar as investors expect another 25 basis point rate cut from the US Federal Reserve at the end of the month.

Meanwhile, the pound continued to hold up, despite House of Commons Speaker John Bercow's decision not to immediately allow a vote on the Brexit withdrawal deal.

This decision means that in order to get a deal, the government will have to try to pass the full Withdrawal Agreement Bill, Parekh said. This legislation will now be introduced to the House of Commons which will have its final vote on Thursday before the bill is then debated and voted upon by the House of Lords.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,948.47	3.57	▼ 0.03%
S&P/NZX 50 Index	11,062.75	4.37	▼ 0.04%
S&P/NZX MidCap Index	31,818.26	104.26	▼ 0.33%
S&P/NZX SmallCap Index	62,741.53	150.81	▲ 0.24%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,757.70	0.70	▼ 0.01%
S&P/ASX 200	6,652.50	2.80	▲ 0.04%
ASX Small Ordinaries	2,872.80	6.10	▲ 0.21%
S&P/ASX MIDCAP 50	6,981.70	36.50	▼ 0.52%
S&P/ASX 20	3,689.30	3.50	▲ 0.09%

Foreign Markets Index			
	Last	Change	
S&P 500	3,005.61	19.41	▲ 0.65%
Dow Jones	26,825.16	54.96	▲ 0.21%
NASDAQ Composite	8,158.09	68.55	▲ 0.85%
DAX	12,747.96	114.36	▲ 0.91%
ASX All Ordinaries	6,757.70	0.70	▼ 0.01%
NIKKEI 225	22,548.90	56.22	▲ 0.25%
HANG SENG INDEX	26,725.68	6.10	▲ 0.02%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9325	0.0009	▲ 0.10%
USD	0.64	0.0025	▲ 0.39%
CNY	4.5300	0.0100	▲ 0.22%
EUR	0.57	0.0029	▲ 0.50%
CAD	0.8378	-0.0002	▼ 0.02%
GBP	0.49	0.0013	▲ 0.26%
JPY	69.5660	0.4010	▲ 0.58%

NZ Interest Rates	
	Change
NZ OCR	1.00
3m Bank Bill	1.04
5y Swap	1.07
10y Swap	1.41

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,486.30	7.80	▼ 0.52%
Silver	17.56	0.02	▼ 0.10%
Crude Oil	53.45	0.33	▼ 0.61%

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