

MORNING REPORT

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Top News

NZ shares outperform Asia as exporters gain; Sky leads market higher

New Zealand shares rose for a fourth day, outperforming the rest of Asia, as exporters including A2 Milk Co, Mainfreight, and Fisher & Paykel Healthcare all gained. Sky Network Television led the market higher.

The S&P/NZX 50 Index advanced 71.54 points, or 0.7 percent, to a record 10,824.69. Within the index 29 stocks rose, 11 fell, and 10 were unchanged. Turnover was \$144.7 million, of which Mainfreight accounted for \$24.2 million.

The local market reported the biggest increase in afternoon trading across Asian markets, with most major indices starting the week in the red with investors unnerved by the heightened tensions between Britain and Iran in the Strait of Hormuz. Taiwan's SE Weighted Index was the second-best performer, also up 0.7 percent in afternoon trading, while Hong Kong's Hang Seng was down 0.8 percent and Australia's S&P/ASX 200 Index slipped 0.3 percent.

"It's another record high on the NZX50 - nothing is holding this market at the moment," said Grant Williamson, a director at Hamilton Hindin Greene. "It's bucking the international trend with Australia off and the Dow (Jones) a little weaker."

The larger exporters were among stocks to rise, with Fisher & Paykel Healthcare up 1.9 percent at \$16.26 on a volume of 1.2 million shares, more than twice its 90-day average of 548,000. Mainfreight rose 1.9 percent to \$41 on a volume of 579,000 shares, about 10 times its 58,000 average.

NZ dollar tad weaker, ECB, Federal Reserve in focus

The New Zealand dollar was slightly weaker ahead of upcoming rate decisions by the European Central Bank and the US Federal Reserve.

The kiwi was trading at 67.63 US cents at 7:50 am in Wellington versus 67.74 US cents at 5pm. The trade-weighted index was at 73.92 from 74.05.

According to Reuters, traders see about a 46 percent chance that European policymakers will lower a key deposit rate by 10 basis points on Thursday to minus 0.50 basis points due to global trade tensions and tepid regional inflation.

Meanwhile, the kiwi "fumbles around recent highs as markets pare back their expectations for aggressive easing at the upcoming FOMC meeting, allowing the USD to firm," ANZ Bank FX/Rates strategist Sandeep Parekh said.

Markets now see a 77.5 percent chance of a 25 basis-point rate cut at the end of the month by the US Federal Reserve and a 22.5 percent chance of a 50-point cut.

US President Donald Trump stepped up his pressure on the Fed tweeting "with almost no inflation, our country is needlessly being forced to pay a MUCH higher interest rate than other countries only because of a very misguided Federal Reserve."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,690.09	78.80	▲	0.68%
S&P/NZX 50 Index	10,824.69	71.54	▲	0.67%
S&P/NZX MidCap Index	30,587.42	156.80	▲	0.52%
S&P/NZX SmallCap Index	60,589.07	330.03	▲	0.55%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,781.20	5.00	▼	0.07%
S&P/ASX 200	6,691.20	9.10	▼	0.14%
ASX Small Ordinaries	2,944.40	16.80	▲	0.57%
S&P/ASX MIDCAP 50	7,143.40	28.40	▲	0.40%
S&P/ASX 20	3,730.60	6.60	▼	0.18%

Foreign Markets Index				
	Last	Change		
S&P 500	2,985.03	8.42	▲	0.28%
Dow Jones	27,171.90	17.70	▲	0.07%
NASDAQ Composite	8,204.14	57.65	▲	0.71%
DAX	12,289.40	29.33	▲	0.24%
ASX All Ordinaries	6,781.20	5.00	▼	0.07%
NIKKEI 225	21,416.79	50.20	▼	0.23%
HANG SENG INDEX	28,371.26	394.14	▼	1.37%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9614	0.0010	▲	0.10%
USD	0.68	0.0000	▲	0.00%
CNY	4.6550	0.0030	▲	0.06%
EUR	0.60	0.0003	▲	0.05%
CAD	0.8871	0.0036	▲	0.41%
GBP	0.54	0.0011	▲	0.20%
JPY	72.9815	0.0765	▲	0.10%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.48	
5y Swap	1.41	
10y Swap	1.77	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,425.40	1.30	▼	0.09%
Silver	16.38	0.18	▲	1.14%
Crude Oil	56.09	0.46	▲	0.83%

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