

MORNING REPORT

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Top News

NZ shares edge up; Infratil gains after placement

New Zealand shares edged higher, with Infratil one of the most active stocks when it resumed trading after being halted for a \$100 million placement last week.

The S&P/NZX 50 Index increased 21.39 points, or 0.2 percent, to 10,237.48. Within the index, 32 stocks rose, 13 fell, and five were unchanged. Turnover was \$114.4 million.

Infratil traded at \$4.34, up 7.1 percent after adjusting for a rights offer. The stock was halted for the \$100 million institutional component of the \$400 million equity raising it is undertaking to help pay for its share of the \$3.4 billion Vodafone New Zealand acquisition. Almost 2.1 million shares changed hands, more than four times its 90-day average of 496,000.

Peter McIntyre, an investment advisor at Craigs Investment Partners, said Infratil's return was a key point of interest for investors today. "It's trading well above the \$4 placement level," he said.

Property stocks were among the day's better performers, in what McIntyre described as cautious trading. Investors are keen to lock in the predictable income streams from companies paying regular dividends.

Goodman Property Trust rose 2.5 percent to \$1.85, Precinct Properties New Zealand increased 2.5 percent to \$1.66, Investore Property advanced 2.4 percent to \$1.72 on a volume of 1 million shares, and Stride Property was up 1.9 percent at \$2.13.

SkyCity Entertainment Group was the most traded stock on a volume of almost 2.5 million shares, more than three times its 730,000 average. The casino operator today said it plans to launch a Malta-based online gaming platform later this year.

NZ dollar hovers below 65 US cents; trade tensions weigh on sentiment

The New Zealand dollar remained below 65 US cents as simmering China-US trade tensions continue to weigh on sentiment.

The kiwi was trading at 64.94 US cents at 8am in Wellington from 64.97 at 5pm yesterday. The trade-weighted index was at 71.77 points from 71.81.

Ongoing trade tensions have heightened concerns about global growth and sentiment soured further overnight on media reports that the US administration is considering Huawei-like sanctions on Chinese video surveillance firm Hikvision.

According to the New York Times, the move would mean that US companies would have to obtain government approval to supply components to Hikvision. It comes on the heels of the US Commerce Department blocking Huawei from buying US goods last week.

"Risk sentiment and safe haven buying keeps the pressure on the kiwi as the currency breaks below 65 US cents and settles at a new low for 2019," said ANZ FX/rates strategist Sandeep Parekh.

Minutes from the latest US Federal Reserve policy meeting had little market impact as "the key takeaway from the Fed's May minutes was that a patient approach would be appropriate 'for some time,'" he said.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,059.70	22.88	▲ 0.21%
S&P/NZX 50 Index	10,237.48	21.39	▲ 0.21%
S&P/NZX MidCap Index	28,898.57	141.65	▲ 0.49%
S&P/NZX SmallCap Index	59,758.61	308.36	▲ 0.52%
S&P/NZAX All Index	560.19	0.00	▲ 0.00%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,598.10	13.70	▲ 0.21%
S&P/ASX 200	6,510.70	10.60	▲ 0.16%
ASX Small Ordinaries	2,851.70	16.40	▲ 0.58%
S&P/ASX MIDCAP 50	6,888.30	18.20	▲ 0.26%
S&P/ASX 20	3,646.20	5.50	▲ 0.15%
Foreign Markets Index			
	Last	Change	
S&P 500	2,856.27	8.09	▼ 0.28%
Dow Jones	25,776.61	100.72	▼ 0.39%
NASDAQ Composite	7,750.84	34.88	▼ 0.45%
DAX	12,168.74	25.27	▲ 0.21%
ASX All Ordinaries	6,598.10	13.70	▲ 0.21%
NIKKEI 225	21,283.37	10.92	▲ 0.05%
HANG SENG INDEX	27,705.94	48.70	▲ 0.18%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9437	0.0015	▼ 0.16%
USD	0.6496	0.0012	▼ 0.18%
CNY	4.4860	0.0050	▼ 0.11%
EUR	0.5822	0.0008	▼ 0.14%
CAD	0.8724	0.0001	▲ 0.01%
GBP	0.5130	0.0009	▲ 0.18%
JPY	71.6490	0.2395	▼ 0.33%
NZ Interest Rates			
	Last	Change	
NZ OCR	1.50	0.25	▼ 14.29%
3-month Bank Bill	1.88		
5-year Swap	1.65		
10-year Swap	2.05		
Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,273.60	0.40	▲ 0.03%
Silver	14.43	0.02	▲ 0.14%
Crude Oil	61.31	1.82	▼ 2.88%

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