



MORNING REPORT

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Top News

NZ dollar falls vs Pound as post-Brexit terms agreed in principle

The New Zealand dollar fell against the British pound after UK and European Union officials reached a draft agreement on post-Brexit relations.

The pound gained 0.8 percent after the EU and UK agreed in principle on how they will approach security, trade and other issues once Britain formally leaves the regional bloc. If the declaration goes ahead as planned it will be used as the framework for a trade agreement in the 21-month transition from the UK's March 29 exit.

Uncertainty over the Brexit deal has weighed on the pound in recent months as investors questioned whether Prime Minister Theresa May would be able to corral enough support to push through the deal. That saw the kiwi jump 9.7 percent against the pound between Oct. 10 and Nov. 16, although it's since given up some of those gains.

The US Thanksgiving Day holiday left markets relatively quiet overnight after the Apec leaders meeting over the weekend stoked fears that the trade dispute between the US and China will slow global growth.

NZ shares snap decline as growth stocks Tourism Holdings, A2 recover

New Zealand shares snapped a six-day decline as a revival in global investor optimism boosted beat-up growth stocks such as Tourism Holdings, A2 Milk and Pushpay Holdings. Fletcher Building extended its decline.

New Zealand shares joined a global rally ahead of the Thanksgiving Holiday in the US, with growth stocks the main benefactors after being punished in an increasingly volatile environment. Companies that trade at high price-to-earnings multiples such as Pushpay and Tourism Holdings bore the brunt of that downturn and were among today's leaders. Tourism Holdings rose 5.3 percent to \$4.77 and Pushpay was up 3.1 percent to \$2.99, both on heavier volumes than normal.

A2 rose 5 percent to \$10.50 after saying China's current e-commerce retail import policies will remain in place, something its executive team is confident it can manage.

Synlait Milk rose 3.5 percent to \$8.55 on small volumes. The milk processor faced a setback in its attempts to diversify away from supplying A2 with its Munchkin Grass Fed infant formula, saying it will re-submit its application to the US Food and Drug Administration with extra evidence.

Fletcher Building was the most traded stock, with 14.9 million shares changing hands compared to its 1.3 million 90-day average. It fell 2.1 percent to \$4.60, a new 14-year low.

Trade Me rose 0.7 percent to \$5.97 on twice its average volume, extending yesterday's gain on news it might face an attractive takeover bid by UK private equity firm Apax Partners. Morningstar Research gives the \$6.40 indicative offer a 50/50 chance of success.

| NZX Index | | | | |
|------------------------------|-----------|--------|---|-------|
| Index | Last | Change | | |
| S&P/NZX All Index | 9,480.91 | 22.79 | ▲ | 0.24% |
| S&P/NZX 50 Index | 8,703.16 | 24.91 | ▲ | 0.29% |
| S&P/NZX MidCap Index | 25,835.47 | 11.91 | ▼ | 0.05% |
| S&P/NZX SmallCap Index | 60,734.23 | 262.81 | ▼ | 0.43% |
| S&P/NZAX All Index | 512.52 | 2.42 | ▼ | 0.47% |
| ASX Index | | | | |
| Index | Last | Change | | |
| ASX All Ordinaries | 5,770.30 | 48.20 | ▲ | 0.84% |
| S&P/ASX 200 | 5,691.30 | 48.50 | ▲ | 0.86% |
| ASX Small Ordinaries | 2,547.50 | 29.30 | ▲ | 1.16% |
| S&P/ASX MIDCAP 50 | 6,255.00 | 60.50 | ▲ | 0.98% |
| S&P/ASX 20 | 3,182.40 | 22.60 | ▲ | 0.72% |
| Foreign Markets Index | | | | |
| | Last | Change | | |
| S&P 500 | 2,649.93 | 8.04 | ▲ | 0.30% |
| Dow Jones Industrial Average | 24,464.69 | 0.95 | ▼ | 0.00% |
| NASDAQ Composite | 6,972.25 | 63.43 | ▲ | 0.92% |
| DAX PERFORMANCE-INDEX | 11,138.49 | 105.68 | ▼ | 0.94% |
| ASX All Ordinaries | 5,770.30 | 48.20 | ▲ | 0.84% |
| NIKKEI 225 | 21,646.55 | 139.01 | ▲ | 0.65% |
| HANG SENG INDEX | 26,019.41 | 47.94 | ▲ | 0.18% |
| Currencies (per NZ\$ 1.00) | | | | |
| | Last | Change | | |
| AUD | 0.9392 | 0.0014 | ▼ | 0.15% |
| USD | 0.6813 | 0.0020 | ▼ | 0.29% |
| CNY | 4.7170 | 0.0150 | ▼ | 0.32% |
| EUR | 0.5972 | 0.0028 | ▼ | 0.47% |
| CAD | 0.8989 | 0.0050 | ▼ | 0.55% |
| GBP | 0.5291 | 0.0056 | ▼ | 1.05% |
| JPY | 76.9595 | 0.2775 | ▼ | 0.36% |
| NZ Interest Rates | | | | |
| | Last | Change | | |
| NZ OCR | 1.75 | | | |
| 3-month Bank Bill | 1.94 | | | |
| 5-year Swap | 2.52 | | | |
| 10-year Swap | 3.00 | | | |
| Commodities Futures | | | | |
| | Last | Change | | |
| Gold | 1,227.90 | 0.10 | ▼ | 0.01% |
| Silver | 14.47 | 0.04 | ▼ | 0.26% |
| Crude Oil | 53.85 | 0.78 | ▼ | 1.43% |

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