

# MORNING REPORT

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Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

## Top News

### Kiwi dollar up against UK pound on Brexit ructions

The New Zealand dollar lifted against the British pound after UK lawmakers passed the Brexit agreement but shot down a bid to fast-track it by the Oct. 31 deadline.

The kiwi was trading at 49.70 British pence at 8am in Wellington from 49.50 British pence at 5:05pm in Wellington yesterday. It was at 64.04 US cents from 64.25 US cents.

Markets were cheered when UK lawmakers endorsed Prime Minister Boris Johnson's Brexit deal by a vote of 339 to 299. However, the pound came under pressure when they voted against a proposed timetable to push it through parliament by the end of the month.

MPs said they need more time to consider the deal and any amendments. The endorsement came after Johnson said he would pull the deal all together and call an election if parliament looked set to delay into next year.

"Sterling struggled as the recent optimism around PM Johnson's Brexit deal began to unwind," said ANZ Bank FX/rates strategist Sandeep Parekh.

After the vote, Johnson said he would "pause" the legislation until the European Union decides whether it will grant an extension beyond Oct. 31.

The kiwi eased slightly against the greenback when the US Richmond Fed manufacturing index went from -9 in September to 8 in October - its highest reading since April. Importantly, respondents were optimistic that conditions would continue to improve in the next six months.

### NZ shares follow Asia higher; SkyCity falls as fire rages

New Zealand shares were broadly stronger, joining the upbeat mood across Asia. SkyCity Entertainment Group hit a seven-week low as a fire atop the firm's new international convention centre raged throughout the day.

The S&P/NZX 50 Index increased 27.64 points, or 0.3 percent, to 11,090.39. Within the index, 23 stocks rose, 21 fell and six were unchanged. Turnover was \$96.3 million with just four stocks trading on volumes of more than a million shares.

Asian markets followed Wall Street higher as investors took heart from positive noises about the US-China trade talks. US President Donald Trump said a deal was coming along nicely and China's vice foreign minister Le Yucheng said that progress had been made. South Korea's Kospi 200 Index was up 1.3 percent in afternoon trading, Australia's S&P/ASX 200 Index rose 0.4 percent, and Singapore's Straits Times Index advanced 0.8 percent.

James Lindsay, a portfolio manager at Nikko Asset Management, said the local market was following international leads ahead of September balance date reporting season next month.

"Trade wars haven't really had a substantial impact here and we're probably lucky that things like the farmgate milk price was up by 30 cents this morning. Things like that help."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,979.27	30.80	▲	0.26%
S&P/NZX 50 Index	11,090.39	27.64	▲	0.25%
S&P/NZX MidCap Index	31,778.86	39.40	▼	0.12%
S&P/NZX SmallCap Index	63,110.25	368.72	▲	0.59%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,778.60	20.90	▲	0.31%
S&P/ASX 200	6,672.20	19.70	▲	0.30%
ASX Small Ordinaries	2,875.50	2.70	▲	0.09%
S&P/ASX MIDCAP 50	7,016.30	34.60	▲	0.50%
S&P/ASX 20	3,704.20	14.90	▲	0.40%

Foreign Markets Index				
	Last	Change		
S&P 500	2,996.15	10.57	▼	0.35%
Dow Jones Industrial Average	26,789.19	38.45	▼	0.14%
NASDAQ Composite	8,104.30	58.69	▼	0.72%
DAX PERFORMANCE-INDEX	12,754.69	6.73	▲	0.05%
ASX All Ordinaries	6,778.60	20.90	▲	0.31%
NIKKEI 225	22,548.90	56.22	▲	0.25%
HANG SENG INDEX	26,786.20	60.52	▲	0.23%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9348	0.0022	▲	0.24%
USD	0.64	0.0007	▲	0.11%
CNY	4.5400	0.0100	▲	0.22%
EUR	0.58	0.0016	▲	0.28%
CAD	0.8399	0.0016	▲	0.19%
GBP	0.50	0.0029	▲	0.58%
JPY	69.5485	-0.0085	▼	0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.05	
5y Swap	1.12	
10y Swap	1.46	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,490.80	2.70	▲	0.18%
Silver	17.53	0.07	▼	0.38%
Crude Oil	54.21	0.90	▲	1.69%

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[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

**Contact Equity Investment Advisers today.**  
 Tel: +64 (9)304 0145 / NZ: 0800 474 669