



MORNING REPORT

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

Top News

NZ dollar falls; China pledges support as growth slows

The New Zealand dollar fell from a spike during the Labour Day holiday as Chinese policymakers pledged to support a slowing economy.

The People's Bank of China yesterday offered more support for private firms, including ways to help them tap capital markets for funding. That was part of a wider response by Chinese policymakers to the nation's 6.5 percent annual growth rate in the September quarter - the slowest since the global financial crisis. Over the weekend, President Xi Jinping promised to support the private sector and cut personal income taxes to counter the slowing growth and escalating trade war with the US. New Zealand counts China as its biggest trading partner.

The US dollar has been the beneficiary of rising US bond yields as the Federal Reserve remains on track to keep raising interest rates. The yield on US 10-year Treasuries is 52 basis points higher than that of its New Zealand equivalent.

The kiwi fell to 50.49 British pence from 50.73 pence yesterday and dropped to 57.13 euro cents from 57.63 cents. UK Prime Minister Theresa May's leadership is under pressure again after Brexit negotiations stalled last week. Fears over Italy's planned budget deficit are also keeping investors uncertain over the stability of the European Union.

NZ shares fall most across Asia; Z still under pressure

New Zealand shares fell the most across Asia as Z Energy led the market lower for another day amid rising oil prices, growing competition and the threat of increased regulation.

The local market posted the biggest decline across Asia-Pacific. Australia's S&P/NZX 200 index was down 0.2 percent in afternoon trading, Hong Kong's Hang Seng fell 0.3 percent, and Japan's Topix was down 1.1 percent.

Z Energy led the local market lower, falling 3.9 percent to \$6.10, the lowest close since February 2016. The share price has dropped 11 percent this week after the transport fuels company reported lower petrol volumes as oil prices rise. At the same time, it's facing increased competition from low-cost operators such as Waitomo and has the government threatening regulatory intervention.

Ryman Healthcare fell 3.9 percent to \$12 on lighter than usual volumes. Metlifecare was down 2.5 percent at \$5.85 and Summerset Group declined 1.3 percent to \$6.85.

Spark New Zealand reported the busiest activity with 2.6 million shares traded, with the stock rising 0.5 percent to \$3.90. Contact Energy fell 0.4 percent to \$5.61 on volume of 2.5 million and Meridian Energy was down 0.8 percent to \$3.11 on 2.2 million shares traded.

Auckland International Airport fell 1.3 percent to \$6.92 on a volume of 1.9 million. Kiwi Property Group was down 0.4 percent at \$1.35 on 1.8 million shares, and Air New Zealand fell 1.3 percent to \$2.74 on one million shares.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	9,603.21	115.75	▼ 1.19%
S&P/NZX 50 Index	8,802.26	108.33	▼ 1.22%
S&P/NZX MidCap Index	25,637.97	289.17	▼ 1.12%
S&P/NZX SmallCap Index	63,100.39	323.17	▼ 0.51%
S&P/NZAX All Index	530.13	0.48	▼ 0.09%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	6,006.20	36.60	▼ 0.61%
S&P/ASX 200	5,904.90	34.60	▼ 0.58%
ASX Small Ordinaries	2,686.60	18.40	▼ 0.68%
S&P/ASX MIDCAP 50	6,682.20	60.40	▼ 0.90%
S&P/ASX 20	3,251.50	17.70	▼ 0.54%

Foreign Markets Index			
	Last	Change	

S&P 500	2,755.82	11.96	▼ 0.43%
Dow Jones Industrial Average	25,316.26	128.08	▼ 0.50%
NASDAQ Composite	7,468.63	19.60	▲ 0.26%
DAX PERFORMANCE-INDEX	11,524.34	29.49	▼ 0.26%
ASX All Ordinaries	6,006.20	36.60	▼ 0.61%
NIKKEI 225	22,614.82	82.74	▲ 0.37%
HANG SENG INDEX	26,153.15	591.75	▲ 2.32%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9249	0.0039	▼ 0.42%
USD	0.6551	0.0058	▼ 0.88%
CNY	4.5510	0.0180	▼ 0.39%
EUR	0.5714	0.0025	▼ 0.44%
CAD	0.8584	0.0070	▼ 0.81%
GBP	0.5053	0.0005	▼ 0.10%
JPY	73.9055	0.5180	▼ 0.70%

NZ Interest Rates			
	Last	Change	

NZ OCR	1.75		
3-month Bank Bill	1.94		
5-year Swap	2.39		
10-year Swap	2.90		

Commodities Futures			
	Last	Change	

Gold	1,225.40	3.30	▼ 0.27%
Silver	14.59	0.06	▼ 0.44%
Crude Oil	69.25	0.13	▲ 0.19%

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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