

MORNING REPORT

As at 8.53 AM 24/01/2019

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 shares ease on global growth concerns

New Zealand shares eased as investors continued to fret about US-China trade tensions and the political impasse in the US.

The S&P/NZX 50 index fell 8.6 points, or 0.1 percent, to 9106.03. Within the index, 19 stocks rose, four were unchanged and 27 fell. Turnover was light at \$79.1 million.

Overnight the Dow Jones Industrial Average fell 1.2 percent, while the S&P 500 shed 1.4 percent. The technology-heavy Nasdaq Composite lost 1.9 percent, as growth concerns resurfaced in the US after a long weekend. US markets were weaker after the IMF lowered its forecasts for economic growth earlier in the week. Losses accelerated after the Financial Times said the Trump administration turned down an offer to hold preparatory trade talks with China. White House economic adviser Larry Kudlow denied the report.

"It is a little bit weaker today, but holding up okay. Obviously, we had some soft leads from the US overnight, more trade tension worries and government shutdown worries," said Grant Davies, an investment advisor at Hamilton Hindin Greene in Christchurch.

The highest volume was once again in Spark New Zealand, which saw 2.4 million shares exchange hands, below its average of 3.5 million over the past three months. The stock rose 1.5 percent to \$4.02.

NZ dollar extends gain on reduced chances of rate cut

The New Zealand dollar extended yesterday's gains on the reduced risk of an early rate cut by the Reserve bank.

The kiwi was trading at 67.90 US cents at 8:30am, from 67.66 cents late yesterday. The trade-weighted index climbed to 73.66 from 73.46.

The local currency rose yesterday after December quarter inflation data came in at the upper end of expectations. The Consumers Price Index rose 0.1 percent for the quarter with the annual pace holding steady at 1.9 percent.

Economists had forecast a zero to 0.1 percent December quarter outcome.

"The 1.9 percent reading puts inflation close to the RBNZ's mid-point of a 1-3 percent target range and combined with our strong employment data - the other half of the RBNZ's dual mandate - mitigates the possibility of an interest rate cut," broker HiFX said in a note to clients today.

Overseas equity markets were generally weaker as US-China trade tensions, and efforts to devise a second Brexit deal for the UK rumble on. The S&P500 was marginally weaker; the FTSE-100 was down 0.9 percent.

Goldman Sachs has given 50 percent odds of a "later, softer Brexit", with Brexiteers and some Labour MPs more accepting about an extension to the March 29 deadline if it results in a more durable deal.

The kiwi dollar fell to 51.94 British pence, from 52.24 pence late yesterday, and firmed to 59.60 euro cents from 59.55.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,884.15	8.17	▼	0.08%
S&P/NZX 50 Index	9,106.03	8.60	▼	0.09%
S&P/NZX MidCap Index	26,552.52	80.70	▼	0.30%
S&P/NZX SmallCap Index	58,632.09	16.37	▲	0.03%
S&P/NZAX All Index	522.48	0.97	▼	0.19%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,908.70	15.60	▼	0.26%
S&P/ASX 200	5,843.70	15.10	▼	0.26%
ASX Small Ordinaries	2,562.40	3.40	▼	0.13%
S&P/ASX MIDCAP 50	6,404.40	56.00	▼	0.87%
S&P/ASX 20	3,263.90	7.40	▼	0.23%
Foreign Markets Index				
	Last	Change		
S&P 500	2,629.28	3.62	▼	0.14%
Dow Jones	24,501.31	96.83	▲	0.40%
NASDAQ Composite	6,996.13	24.23	▼	0.35%
DAX	11,071.54	18.57	▼	0.17%
ASX All Ordinaries	5,908.70	15.60	▼	0.26%
NIKKEI 225	20,593.72	29.19	▼	0.14%
HANG SENG INDEX	27,008.20	2.75	▲	0.01%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9511	0.0035	▲	0.37%
USD	0.6791	0.0043	▲	0.64%
CNY	4.6130	0.0230	▲	0.50%
EUR	0.5962	0.0022	▲	0.37%
CAD	0.9063	0.0052	▲	0.58%
GBP	0.5196	0.0012	▼	0.23%
JPY	74.4015	0.6145	▲	0.83%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.15			
10-year Swap	2.61			
Commodities Futures				
	Last	Change		
Gold	1,283.20	0.20	▼	0.02%
Silver	15.38	0.05	▲	0.33%
Crude Oil	52.65	0.36	▼	0.68%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

Do you need to make any changes to your portfolio?
www.equity.co.nz E-mail: Info@equity.co.nz

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