

# MORNING REPORT

As at 8.53 AM 24/09/2019

 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

### NZ shares buoyed by prospect of low rates; Spark gains

New Zealand shares rose, bucking international leads, as the prospect of persistently low interest rates continues to buoy the local equity market. Spark New Zealand defied negative headlines to end the day stronger.

The S&P/NZX 50 Index advanced 43.94 points, or 0.4 percent, to 10,873.33. Within the index, 19 stocks rose, 27 fell, and four were unchanged. Turnover was \$69.4 million, with just two stocks trading on volumes of more than a million shares.

The New Zealand and Australian markets were in the minority in posting gains across Asia, following a weaker lead from Wall Street when an apparent breakdown in trade negotiations triggered fears over global growth to re-emerge. New Zealand and Australian central banks are expected to continue cutting their benchmark interest rates, which has been a boon for equity markets in providing cheap finance to corporates and also increasing the relative returns from stocks.

"If things are going well and they cut rates, that can be good for equity markets," said Grant Davies, an investment advisor at Hamilton Hindin Greene.

Spark was the most traded stock on the day on a volume of 3.1 million shares, below its 90-day average of 3.3 million. It rose 1.8 percent to \$4.43, defying a barrage of criticism that included acting Prime Minister Winston Peters taking it to task over coverage of the opening All Blacks test at the rugby world cup.

### NZ dollar pares losses ahead of RBNZ rate decision

The New Zealand dollar continued to recover as investors take positions ahead of tomorrow's rate decision by the Reserve Bank of New Zealand.

The kiwi was trading at 62.91 US cents at 8:10 am in Wellington from 62.74 cents at 5:05pm yesterday. The trade-weighted index was at 70.08 from 69.84.

KiwiBank senior portfolio manager Ross Weston said the market is extremely short the New Zealand dollar, betting that it will continue moving lower.

However, some investors will be pulling back a bit from that position on the off-chance the central bank is more hawkish than expected in tomorrow's review.

"You always get a portion of the market that's a little bit more skittish," he said.

The Reserve Bank is expected to keep rates on hold at 1 percent but signal more easing to come. All 16 economists polled by Bloomberg expect the rate to remain on hold this week. Market pricing points to around a 25 percent chance of a cut. Most economists, however, are expecting another rate cut in November.

"Some people will be taking chips off the table ahead of tomorrow, locking in some of their gains," said Weston.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,733.86	38.25	0.33%
S&P/NZX 50 Index	10,873.33	38.08	0.35%
S&P/NZX MidCap Index	31,012.03	187.89	0.60%
S&P/NZX SmallCap Index	61,345.20	55.47	0.09%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,861.10	22.10	0.32%
S&P/ASX 200	6,749.70	18.90	0.28%
ASX Small Ordinaries	2,912.20	15.30	0.53%
S&P/ASX MIDCAP 50	7,156.80	19.30	0.27%
S&P/ASX 20	3,744.70	7.10	0.19%

Foreign Markets Index			
	Last	Change	
S&P 500	2,991.78	0.29	0.01%
Dow Jones	26,949.99	14.92	0.06%
NASDAQ Composite	8,112.46	5.21	0.06%
DAX	12,342.33	125.68	1.01%
ASX All Ordinaries	6,861.10	22.10	0.32%
NIKKEI 225	22,079.09	34.69	0.16%
HANG SENG INDEX	26,222.40	213.27	0.81%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9290	0.0039	0.42%
USD	0.63	0.0028	0.45%
CNY	4.4780	0.0400	0.89%
EUR	0.57	0.0038	0.66%
CAD	0.8343	0.0036	0.43%
GBP	0.51	0.0035	0.69%
JPY	67.6290	0.1340	0.20%

NZ Interest Rates			
	Last	Change	
NZ OCR	1.00		
3m Bank Bill	1.13		
5y Swap	0.95		
10y Swap	1.24		

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,530.90	15.80	1.04%
Silver	18.73	0.88	4.94%
Crude Oil	58.48	0.39	0.67%

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](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