

MORNING REPORT

As at 8.42 AM 25/02/2019

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

NZD remains above 68 US cents on US-China trade resolution hopes

The New Zealand dollar remained above 68 US cents as investors were hopeful the US and China will manage to hammer out a new trade deal.

The kiwi was trading at 68.29 US cents at 7:45am in Wellington from 68.43 cents in New York on Friday. It was at 67.74 US cents at 5pm Friday in Wellington. The trade-weighted index was at 74.03 from 74.05 Friday in New York and 73.44 Friday in Wellington.

After falling Friday amid concerns about what a ban on Australian coal imports through China's northern ports in Dalian might mean, the kiwi had collected itself "and gains strength on news of progressing US-China trade talks," said ANZ Bank FX/rates strategist Sandeep Parekh.

US President Donald Trump on Sunday raised hopes that the United States and China would settle their trade dispute, tweeting "very productive talks yesterday with China on Trade. Will continue today!" This followed news Friday that the US and China had reached an agreement on currency issues. According to Bloomberg the two sides haven't yet agreed on the critical issue of enforcement in a proposed currency deal.

However, while markets are fairly upbeat the March 1 deadline is fast approaching and "the market is bracing for more volatility as talks move into the eleventh hour," ANZ Bank says. It notes there has been "little commitment on the extension of the deadline by the US with Trump adopting a wait and see approach."

Retail sales and ANZ business confidence data will show pulse of economy

December quarter retail sales data today should provide more indications that the economy continues to hum along, albeit at a slower pace than previously.

The data is expected to show retail sales rose about 0.5 percent in the last three months of 2018, up from a flat result in the September quarter, a softer outcome than economists had expected.

Figures on retail spending using electronic cards in the December quarter released last month showed a 0.5 percent increase in spending in core retail industries. Reports on Christmas trading from listed retailers have been mixed.

ANZ Bank's first business confidence survey for 2019 due on Thursday will probably say more about the mood of business owners, rather than shedding more light on the economy, says Mark Lister, head of wealth research at Craigs Investment Partners.

"It's hard to see that rebounding too much – if we do get a rebound, it will only be little. If you look at what's happened since the last survey, we've had more uncertainty around the China-New Zealand relations, and more global issues to worry about and we've had incredibly volatile share markets around the world," Lister says.

The S&P/NZX 50 Index rose 0.7 percent last week and has gained 5.7 percent year to date. The S&P 500 Index in the United States has gained 11.4 percent after rising in each of the past nine weeks, its longest winning streak since 1995.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,088.75	7.65	▲	0.08%
S&P/NZX 50 Index	9,309.21	8.40	▲	0.09%
S&P/NZX MidCap Index	26,704.91	26.88	▼	0.10%
S&P/NZX SmallCap Index	58,349.03	119.27	▼	0.20%
S&P/NZAX All Index	558.20	0.00	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,241.90	27.30	▲	0.44%
S&P/ASX 200	6,167.30	28.10	▲	0.46%
ASX Small Ordinaries	2,751.30	21.80	▲	0.80%
S&P/ASX MIDCAP 50	6,664.90	55.50	▲	0.84%
S&P/ASX 20	3,434.20	8.00	▲	0.23%
Foreign Markets Index				
	Last	Change		
S&P 500	2,792.67	17.79	▲	0.64%
Dow Jones	26,031.81	181.18	▲	0.70%
NASDAQ Composite	7,527.54	67.84	▲	0.91%
DAX	11,457.70	34.40	▲	0.30%
ASX All Ordinaries	6,241.90	27.30	▲	0.44%
NIKKEI 225	21,425.51	38.72	▼	0.18%
HANG SENG INDEX	28,816.30	186.40	▲	0.65%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9593	0.0012	▼	0.12%
USD	0.6842	0.0004	▼	0.06%
CNY	4.5950	0.0000		0.00%
EUR	0.6032	0.0008	▼	0.13%
CAD	0.8986	0.0002	▼	0.02%
GBP	0.5237	0.0008	▼	0.15%
JPY	75.7150	0.0500	▼	0.07%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.06			
10-year Swap	2.47			
Commodities Futures				
	Last	Change		
Gold	1,330.70	2.90	▲	0.22%
Silver	15.89	0.08	▲	0.53%
Crude Oil	57.07	0.11	▲	0.19%

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