

# MORNING REPORT

As at 9.00 AM 5/25/2018

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## Top News

### Wall St declines, while Treasuries, gold gain

US Treasuries and gold rose, while Wall Street fell, as President Donald Trump cancelled a summit with North Korea's Kim Jong Un, underpinning concern about geopolitical uncertainty as well as trade talks between the world's largest economies.

Treasuries climbed, pushing yields on the 10-year note two basis points lower to 2.98 percent.

Wall Street moved lower. In 2.11pm trading in New York, the Dow Jones Industrial Average slid 0.3 percent, while the Nasdaq Composite Index inched 0.03 percent lower. In 1.55pm trading, the Standard & Poor's 500 Index fell 0.3 percent.

### NZ dollar steady as Trump scraps North Korea summit, UK retail sales jump

The New Zealand dollar was little changed against the greenback after US President Donald Trump scrapped a planned summit with North Korean leader Kim Jong Un and the US said it was considering tariffs on imports of cars and trucks.

The kiwi dollar traded at 69.29 US cents as at 8am in Wellington from 69.25 cents late yesterday. The trade-weighted index was at 72.64 from 72.68.

Stocks on Wall Street fell while Treasuries and gold rose after Trump scrapped what would have been the first meeting between leaders of the two nations, citing "open hostility" expressed by the North Korean leader in a recent statement. Trump said the US military was ready to respond to any reckless acts. Separately the US said it was looking at tariffs on cars and trucks on the basis of national security, a move that may exacerbate global trade tensions.

### NZ shares up on A2 Milk rebound; Fletcher, Comvita drop

New Zealand shares gained as A2 Milk Co rebounded from recent selling, while Fletcher Building and Comvita fell.

The S&P/NZX 50 Index rose 37.54 points, or 0.4 percent, to 8,590.77. Within the index, 23 stocks rose, 17 fell and 10 were unchanged. Turnover was \$169 million.

A2 Milk was the best performer, up 4.1 percent to \$10.66. The milk marketer's shares slumped 13 percent last week and a further 9.3 percent this week after it missed expectations, prompting some analysts to reassess what have been optimistic assumptions for the company's outlook, and it dropped 2.3 percent yesterday.

Pushpay Holdings gained 2.2 percent to \$4.18, Argosy Property rose 1.9 percent to \$1.065, and Kiwi Property Group advanced 1.8 percent to \$1.39.

Fletcher Building was the worst performer, dropping 2.4 percent to \$6.47, while Air New Zealand fell 1.6 percent to \$3.30.

Comvita dropped 2.2 percent to \$5.80. On Monday, the honey products exporter said it had pulled out of talks with an unnamed third party looking to take it over as it couldn't reach a deal on price. The stock has dropped 14 percent this week.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,355.91	39.55	▲	0.42%
S&P/NZX 50 Index	8,590.77	36.22	▲	0.42%
S&P/NZX MidCap Index	25,047.03	6.94	▲	0.03%
S&P/NZX SmallCap Index	61,035.25	159.41	▲	0.26%
S&P/NZAX All Index	515.86	0.51	▲	0.10%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,144.10	3.80	▲	0.06%
S&P/ASX 200	6,037.10	4.60	▲	0.08%
ASX Small Ordinaries	2,806.60	1.50	▲	0.05%
S&P/ASX MIDCAP 50	6,779.80	3.80	▼	0.06%
S&P/ASX 20	3,329.10	1.50	▼	0.05%
Foreign Markets Index				
	Last	Change		
S&P 500	2,727.76	5.53	▼	0.20%
Dow Jones	24,811.76	75.05	▼	0.30%
NASDAQ Composite	7,424.43	1.53	▼	0.02%
FTSE	7,716.74	71.70	▼	0.92%
ASX All Ordinaries	6,144.10	3.80	▲	0.06%
NIKKEI 225	22,437.01	252.73	▼	1.11%
HANG SENG INDEX	30,760.41	94.77	▲	0.31%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9146	0.0003	▼	0.03%
USD	0.6933	0.0018	▲	0.26%
CNY	4.4190	0.0020	▲	0.05%
EUR	0.5913	0.0003	▲	0.05%
CAD	0.8934	0.0054	▲	0.61%
GBP	0.5179	0.0001	▼	0.02%
JPY	75.7670	0.3430	▼	0.45%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.66			
10-year Swap	3.15			
Commodities Futures				
	Last	Change		
Gold	1,304.50	14.90	▲	1.16%
Silver	16.70	0.30	▲	1.80%
Crude Oil	70.66	1.18	▼	1.64%

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