

# MORNING REPORT

As at 8.46 AM 25/09/2018

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 stocks mixed, A2 Milk leads declines

New Zealand shares were mixed as last week's FTSE index adjustments rippled through major stocks today. A2 Milk, which has entered the FTSE Russell All World Index, led the declines; Sky Network Television, which made way for it, led the gains.

The S&P/NZX 50 fell by 38.46 points, or 0.4 percent, to 9,337.51. Within the index, 21 stocks fell, 19 gained and seven were unchanged. Turnover was \$107.8 million.

A2 fell 5 percent to \$11.84. Almost 9.4 million shares traded on Friday – a four-month high - as the firm entered the FTSE index.

Today's decline trimmed the stock's gain this year to 45 percent. Chief executive Jayne Hrdlicka sold her 357,232 shares late last week at an average \$12.20 to meet tax obligations and fund commitments made before she joined the company in July, A2 said in a filing late Friday.

Synlait Milk fell 4.3 percent to \$11.19 – the lowest close in a month. More than 2.9 million shares were traded on Friday when its weightings in the FTSE all capital index increased.

The stock has fallen about 12 percent since its full-year earnings last week. While the firm almost doubled its earnings, chief executive Leon Clement warned that infant formula sales will probably grow at a slower pace this year.

David Price, a broker with Forsyth Barr, said the index changes had a big impact in a day when volumes were light throughout Asia.

The market is also having to look harder, and in selective sectors, for the evidence of growth needed to push prices higher, he said. While the earnings season had been "okay", it wasn't enough to keep driving the market.

### NZ dollar dips as China criticises US protectionism

The New Zealand dollar slipped as China accused the US of intimidating other nations with its trade policy.

The kiwi declined to 66.40 US cents as at 8am in Wellington from 66.69 cents yesterday. The trade-weighted index decreased to 71.94 from 72.20.

China yesterday released a white paper saying trade relations between the world's two biggest economies were of "great significance" for the wider global economy. However, US President Donald Trump's 'America First' policy "brazenly preached unilateralism, protectionism and economic hegemony" and attempted to intimidate countries through economic pressures such as tariffs to impose US interests on other nations.

The deteriorating trade relationship between the two nations has seen a series of tariffs imposed. The latest round covering US\$200 billion of Chinese products and US\$60 billion of US goods came into effect yesterday. Over the weekend, China called off trade talks planned for next week and is unlikely to sit down with Washington officials until after the November mid-term elections.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,156.46	45.35	▼	0.44%
S&P/NZX 50 Index	9,337.52	43.72	▼	0.47%
S&P/NZX MidCap Index	26,610.63	89.47	▼	0.34%
S&P/NZX SmallCap Index	63,745.44	1.74	▲	0.00%
S&P/NZAX All Index	533.05	2.81	▲	0.53%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,299.50	5.90	▼	0.09%
S&P/ASX 200	6,186.90	7.70	▼	0.12%
ASX Small Ordinaries	2,826.30	8.70	▼	0.31%
S&P/ASX MIDCAP 50	7,025.90	30.60	▼	0.43%
S&P/ASX 20	3,423.50	3.10	▼	0.09%
Foreign Markets Index				
	Last	Change		
S&P 500	2,919.37	10.30	▼	0.35%
Dow Jones	26,562.05	181.45	▼	0.68%
NASDAQ Composite	7,993.25	6.29	▲	0.08%
DAX	12,350.82	80.06	▼	0.64%
ASX All Ordinaries	6,299.50	5.90	▼	0.09%
NIKKEI 225	23,869.93	195.00	▲	0.82%
HANG SENG INDEX	27,499.39	454.19	▼	1.62%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9159	0.0021	▼	0.23%
USD	0.6644	0.0026	▼	0.39%
CNY	4.5570	0.0240	▼	0.52%
EUR	0.5655	0.0022	▼	0.39%
CAD	0.8602	0.0014	▼	0.16%
GBP	0.5066	0.0034	▼	0.67%
JPY	74.9250	0.0600	▼	0.08%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.41			
10-year Swap	2.92			
Commodities Futures				
	Last	Change		
Gold	1,203.30	2.00	▲	0.17%
Silver	14.29	0.07	▼	0.48%
Crude Oil	72.26	1.48	▲	2.09%

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