



## MORNING REPORT

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### Top News

#### NZ dollar higher on weak US data, reduced rate cut expectations for Australia

The New Zealand dollar got an overnight lift on soft US consumer confidence numbers and after investors pared back expectations for an October rate cut in Australia.

The Conference Board, an industry group, said its index of consumer attitudes fell to 125.1, from a downwardly revised 134.2 the month before. The 49 economists polled by Reuters had expected a reading of 133.5.

Kiwbank FX trader Mike Shirley said news that US President Donald Trump had "poured cold water over recent warming hopes of a near term trade deal with China," also added to pressure on the US dollar.

Elsewhere, risk appetite also improved after UK Prime Minister Boris Johnson's suspension of Parliament was ruled unlawful by the Supreme Court, reducing the possibility of a so-called hard Brexit. The kiwi was trading at 50.64 British pence from 50.60.

#### NZ shares fall as A2 hits 7-month low; Spark still defies naysayers

New Zealand shares fell, as a seven-month low for A2 Milk outweighed the revival in appetite among investors for high-yielding stocks such as Meridian Energy and Chorus.

A2 led the market lower, down 3.1 percent at \$13.28 on a volume of 608,000 shares, less than its 90-day average of 822,000. The milk marketing firm has been on the back foot since China Mengniu Dairy Co announced a A\$1.5 billion takeover bid for Bellamy's Australia, raising the spectre of a tougher competitor for A2.

Sky Network Television gave up some of yesterday's gain in relatively busy trading, down 0.9 percent at \$1.15, with 1.8 million shares changing hands. The pay-TV operator rose yesterday amid a torrent of news about Spark New Zealand's live-streaming issues over the weekend.

Spark was the most traded stock on a volume of 3.5 million shares, compared to its 90-day average of 3.3 million. It rose 1.4 percent to \$4.49, continuing to defy bad publicity over its rugby world cup coverage at the weekend. The telco said its streaming service performed well for Monday night's matches.

Air New Zealand was down 0.2 percent at \$2.68 after the national carrier said it has signed contracts for its multi-billion-dollar purchase of eight Dreamliner 787-10 aircraft. The deal needs a simple majority at tomorrow's annual meeting, although the Crown has indicated it will vote its 51.9 percent in favour.

Z Energy increased 0.2 percent to \$8.15 on a volume of 1.2 million shares. Chief financial officer Lindis Jones told the Commerce Commission's conference on the fuel market that heightened competition has lowered the company's return on capital employed to 8.5 percent this year, and it expects that to fall to 7 percent next year.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,717.36	16.50	▼	0.14%
S&P/NZX 50 Index	10,858.71	14.62	▼	0.13%
S&P/NZX MidCap Index	31,052.20	40.17	▲	0.13%
S&P/NZX SmallCap Index	61,272.05	73.15	▼	0.12%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,856.60	4.50	▼	0.07%
S&P/ASX 200	6,748.90	0.80	▼	0.01%
ASX Small Ordinaries	2,910.60	1.60	▼	0.05%
S&P/ASX MIDCAP 50	7,137.90	18.90	▼	0.26%
S&P/ASX 20	3,748.60	3.90	▲	0.10%

Foreign Markets Index				
	Last	Change		
S&P 500	2,966.60	25.18	▼	0.84%
Dow Jones Industrial Average	26,807.77	142.22	▼	0.53%
NASDAQ Composite	7,993.63	118.83	▼	1.46%
DAX PERFORMANCE-INDEX	12,307.15	35.18	▼	0.29%
ASX All Ordinaries	6,856.60	4.50	▼	0.07%
NIKKEI 225	22,098.84	19.75	▲	0.09%
HANG SENG INDEX	26,281.00	58.60	▲	0.22%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9300	-0.0002	▼	0.02%
USD	0.63	0.0000	▲	0.00%
CNY	4.4990	0.0010	▲	0.02%
EUR	0.57	0.0000	▲	0.00%
CAD	0.8374	-0.0002	▼	0.02%
GBP	0.51	0.0000	▲	0.00%
JPY	67.7070	-0.0270	▼	0.04%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.12			
5y Swap	0.96			
10y Swap	1.25			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,539.20	7.70	▲	0.50%
Silver	18.67	0.04	▼	0.22%
Crude Oil	56.80	1.84	▼	3.14%

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