

# MORNING REPORT

As at 8.49 AM 26/07/2018

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## Top News

### NZ shares up in regional rally, A2 and Sky TV lead gains

New Zealand shares gained on regional strength, led higher by A2 Milk Co and Sky Network Television.

The S&P/NZX50 Index rose 0.4 percent, or 32.57 points, to 8,933.89. Within the index, 31 stocks rose, 14 fell and five were unchanged. Turnover was \$103.5 million.

Markets across Asia rose in the afternoon's trading. At 5:30pm New Zealand time, Japan's Nikkei 400 was up 0.3 percent and Hong Kong's Hang Seng had risen 0.8 percent, while Australia's ASX 200 was down 0.3 percent.

"Obviously there was a pretty positive lead from the US overnight after a good result from Google which saw Wall Street climb," said Grant Davies, investment advisor at Hamilton Hindin Greene. "That has been flowing through to New Zealand, though we are weakening into the close"

A2 Milk Co led the index higher, up 2.4 percent to \$10.85. Sky Network Television rose 1.6 percent to \$2.60, Heartland Bank gained 1.2 percent to \$1.74, and Tourism Holdings advanced 1.1 percent to \$6.26.

Genesis Energy was the worst performer, down 1.2 percent to \$2.47. Stride Property fell 1.1 percent to \$1.85 and Chorus dropped 0.8 percent to \$4.285.

Outside the benchmark index, Abano Healthcare rose 2.9 percent to \$8.88. It reported a 16 percent lift in annual profit on record revenue as its dental network improved performance in both Australia and New Zealand.

### NZ dollar gains as efforts to cool trade war weigh on greenback

The New Zealand dollar gained as attempts to soothe growing trade between the US and Europe allayed concerns about the spreading trade war, weighing on the greenback and bolstering investors' appetite for riskier assets.

The kiwi rose to 68.34 US cents as at 8.15am in Wellington from 67.90 cents yesterday. The trade-weighted index was 73.20 from 73.04 yesterday.

The US dollar index, a measure of the greenback against a basket of currencies, fell 0.4 percent as investors were buoyed by efforts to soothe growing trade tensions between the US and its major partners. A bipartisan bill was proposed by US senators to delay the introduction of US\$200 billion of auto tariffs until an industry report by the International Trade Commission was conducted. Meanwhile, President Donald Trump opened his meeting with European Union president Jean-Claude Juncker on a positive note, saying he expected something "very positive" and was hopeful a deal could be worked out.

"There seemed to be plenty of headlines (especially regarding trade) overnight, but not a lot of conviction to market moves," ANZ Bank New Zealand economists Liz Kendall and Philip Borkin said in a note. "The USD did weaken a touch, which saw NZD drift modestly higher, and that upward drift remains a near-term bias at this stage."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,734.38	35.68	▲	0.37%
S&P/NZX 50 Index	8,933.89	32.57	▲	0.37%
S&P/NZX MidCap Index	25,617.34	59.83	▲	0.23%
S&P/NZX SmallCap Index	64,063.23	89.17	▲	0.14%
S&P/NZAX All Index	546.14	17.69	▲	3.35%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,341.70	13.50	▼	0.21%
S&P/ASX 200	6,247.60	18.20	▼	0.29%
ASX Small Ordinaries	2,848.30	0.70	▲	0.02%
S&P/ASX MIDCAP 50	7,023.70	11.90	▼	0.17%
S&P/ASX 20	3,457.60	10.00	▼	0.29%
Foreign Markets Index				
	Last	Change		
S&P 500	2,846.07	25.67	▲	0.91%
Dow Jones	25,414.10	172.16	▲	0.68%
NASDAQ Composite	7,932.24	91.47	▲	1.17%
FTSE	7,658.26	50.79	▼	0.66%
ASX All Ordinaries	6,341.70	13.50	▼	0.21%
NIKKEI 225	22,614.25	103.77	▲	0.46%
HANG SENG INDEX	28,920.90	258.33	▲	0.90%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9172	0.0005	▲	0.05%
USD	0.6836	0.0037	▲	0.54%
CNY	4.6190	0.0000		0.00%
EUR	0.5827	0.0007	▲	0.12%
CAD	0.8917	0.0027	▼	0.30%
GBP	0.5182	0.0009	▲	0.17%
JPY	75.8425	0.2400	▲	0.32%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.56			
10-year Swap	3.05			
Commodities Futures				
	Last	Change		
Gold	1,232.10	6.60	▲	0.54%
Silver	15.64	0.12	▲	0.77%
Crude Oil	69.31	0.79	▲	1.15%

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