

MORNING REPORT

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Top News

New Zealand dollar holds gains; eyes on RBNZ

The New Zealand dollar held its gains as weak US data put pressure on the greenback and as investors await the Reserve Bank's rate decision this afternoon.

US consumer confidence fell to near a two-year low in June following a downward revision of May data by the Conference Board. A sub-index measuring the current situation fell to its lowest level in 12 months, while the forward-looking index was at its lowest level since January. New home sales fell 7.8 percent in May following a 3.7 percent fall in April, the Commerce Department reported.

A speech by Federal Reserve Chairman Jerome Powell added to the view the Fed may move to cut rates soon. Powell said there is a backdrop of heightened uncertainties and "the question my colleagues and I are grappling with is whether these uncertainties will continue to weigh on the outlook and thus call for additional policy accommodation."

He also asserted the Federal Reserve's independence in his speech to the Council on Foreign Relations in New York.

All 20 economists surveyed by Bloomberg expect the official cash rate to stay on hold at 1.50 percent. But the short statement will be closely scrutinised for any clues on whether the bank is planning to ease further.

NZ shares extend gain as A2 buoyed by trade data

New Zealand shares rose for a third day, led by A2 Milk as trade data allayed some concerns over how new Chinese e-commerce rules will be applied. Auckland International Airport hit a record.

The S&P/NZX 50 Index increased 29.98 points, or 0.3 percent, to 10,418.29. Within the index, 25 stocks rose, 17 fell, and eight were unchanged. Turnover was \$135.7 million.

A2 rose 2.7 percent to \$14.62, leading the market higher, on a volume of 1 million shares, more than its 90-day volume of 812,000. The milk marketing firm had been under pressure in recent days on fears that the way Chinese authorities apply new e-commerce rules could hit the firm, given its exposure to China's formula market.

Utilities, infrastructure stocks and property firms remained in favour as investors continue to pursue reliable income in a low interest rate environment. Auckland International Airport rose to a record \$9.60, ending the day at \$9.56, up 0.8 percent, on a smaller volume than usual of 851,000 shares.

Mercury NZ rose 1.9 percent to \$4.34 and Contact Energy advanced 1.8 percent to \$7.78 on 1.7 million shares. Investore Property increased 1.6 percent to \$1.87, Kiwi Property Group rose 1.2 percent to \$1.63 on 3.1 million shares, Vital Healthcare Property Trust advanced 0.4 percent to \$2.54, and Argosy Property climbed 0.4 percent to \$1.36 on 1.1 million shares.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	11,250.40	30.42	▲ 0.27%
S&P/NZX 50 Index	10,418.30	28.86	▲ 0.28%
S&P/NZX MidCap Index	29,881.29	23.99	▲ 0.08%
S&P/NZX SmallCap Index	59,501.34	73.49	▼ 0.12%
S&P/NZAX All Index	550.99	13.21	▼ 2.34%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	6,734.50	11.00	▼ 0.16%
S&P/ASX 200	6,658.00	7.40	▼ 0.11%
ASX Small Ordinaries	2,859.30	17.00	▼ 0.59%
S&P/ASX MIDCAP 50	6,949.50	21.40	▼ 0.31%
S&P/ASX 20	3,739.80	0.20	▼ 0.01%

Foreign Markets Index			
	Last	Change	

S&P 500	2,917.38	27.97	▼ 0.95%
Dow Jones Industrial Average	26,548.22	179.32	▼ 0.67%
NASDAQ Composite	7,884.72	120.98	▼ 1.51%
DAX PERFORMANCE-INDEX	12,228.44	46.13	▼ 0.38%
ASX All Ordinaries	6,734.50	11.00	▼ 0.16%
NIKKEI 225	21,193.81	92.18	▼ 0.43%
HANG SENG INDEX	28,185.98	327.02	▼ 1.15%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9541	0.0004	▲ 0.04%
USD	0.66	-0.0001	▼ 0.02%
CNY	4.5680	0.0000	▲ 0.00%
EUR	0.58	0.0002	▲ 0.03%
CAD	0.8740	-0.0001	▼ 0.01%
GBP	0.52	0.0002	▲ 0.04%
JPY	71.1590	0.0090	▲ 0.01%

NZ Interest Rates		
	Last	Change

NZ OCR	1.50	
3m Bank Bill	1.59	
5y Swap	1.38	
10y Swap	1.74	

Commodities Futures (Spot Price \$USD)			
	Last	Change	

Gold	1,426.90	8.70	▲ 0.61%
Silver	15.35	0.03	▼ 0.21%
Crude Oil	58.71	0.81	▲ 1.40%

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