



MORNING REPORT

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Top News

NZ dollar gains vs euro; ECB unmoved by Italy, Brexit fears

The New Zealand dollar gained against the euro as European Central Bank officials were unmoved by mounting fears over growth and stuck to their planned tightening track.

The euro fell 0.2 percent against the greenback after the ECB affirmed plans to end its quantitative easing programme this year and said it still expects to keep the key rate on hold until at least the middle of the year.

Investors have been wary about the threat to growth posed by protracted Brexit negotiations and Italy's plans to run a bigger budget deficit than allowed by European Union rules. Still, ECB president Mario Draghi said risks to the region haven't escalated to the point where the central bank will change its core outlook.

The local currency traded in a tight range against the greenback as stocks on Wall Street rallied. The Nasdaq was up 3.4 percent in late trading, recovering some of yesterday's loss. The tech-heavy index officially entered a correction yesterday, having dropped 10 percent from its peak. The kiwi traded at 65.13 US cents from 65.22 cents yesterday.

NZ shares extend slide as global jitters dent growth stocks; Gentrack, Pushpay drop

New Zealand shares fell for a fifth day as a rout on Wall Street spread into Asian markets, weighing heavily on growth stocks such as software firms Gentrack and Pushpay.

New Zealand fared better than markets across Asia, with Australia's S&P/ASX 200 index down 2.2 percent in afternoon trading and Hong Kong's Hang Seng falling 1.7 percent.

US stocks fell overnight, with the tech-heavy Nasdaq falling 4.4 percent amid general unease over global growth and the prospect of higher interest rates. The VIX - Wall Street's fear gauge - rose to 25.23, compared to its 20-year moving average of 13.35.

Local tech companies led the NZX 50 lower on very light volumes. Gentrack dropped 3.5 percent to \$6.58 and Pushpay fell 2.8 percent to \$3.48. A2 Milk is another momentum stock whose rapid gains in recent years have given it a bigger weighting on the index. It fell 2 percent to \$9.90.

Freightways fell 2.1 percent to \$7.13 on modest volumes after the courier and information management firm said first-quarter revenue was up 8.3 percent. It also affirmed expectations for earnings growth.

Spark New Zealand was the most traded stock, on a volume of 3 million. It fell 0.7 percent to \$3.835, while Meridian Energy was down 0.3 percent to \$3.07 on more than twice its normal volume. Z Energy fell 0.7 percent to \$5.85 on more than three times its average volume.

Air New Zealand dropped 2.4 percent to \$2.615 with 1.5 million shares traded, slightly more than usual. Rival Qantas Airways today said first-quarter revenue rose 6.3 percent, helping offset higher fuel costs.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,354.55	81.12	▼	0.86%
S&P/NZX 50 Index	8,568.23	74.01	▼	0.86%
S&P/NZX MidCap Index	25,116.28	248.95	▼	0.98%
S&P/NZX SmallCap Index	62,125.41	664.90	▼	1.06%
S&P/NZAX All Index	533.18	8.69	▼	1.60%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,759.50	167.00	▼	2.82%
S&P/ASX 200	5,664.10	164.90	▼	2.83%
ASX Small Ordinaries	2,562.70	78.10	▼	2.96%
S&P/ASX MIDCAP 50	6,418.10	183.40	▼	2.78%
S&P/ASX 20	3,116.70	89.30	▼	2.79%
Foreign Markets Index				
	Last	Change		
S&P 500	2,705.65	49.55	▲	1.87%
Dow Jones Industrial Average	24,984.32	400.90	▲	1.63%
NASDAQ Composite	7,318.34	209.94	▲	2.95%
DAX PERFORMANCE-INDEX	11,307.12	115.49	▲	1.03%
ASX All Ordinaries	5,759.50	167.00	▼	2.82%
NIKKEI 225	21,268.73	822.45	▼	3.72%
HANG SENG INDEX	24,994.46	255.32	▼	1.01%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9211	0.0024	▼	0.26%
USD	0.6524	0.0003	▲	0.05%
CNY	4.5340	0.0050	▲	0.11%
EUR	0.5738	0.0013	▲	0.23%
CAD	0.8525	0.0013	▲	0.15%
GBP	0.5091	0.0029	▲	0.57%
JPY	73.4195	0.2370	▲	0.32%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.34			
10-year Swap	2.83			
Commodities Futures				
	Last	Change		
Gold	1,232.80	1.70	▲	0.14%
Silver	14.65	0.03	▼	0.21%
Crude Oil	67.06	0.24	▲	0.36%

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