



## MORNING REPORT

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### Top News

#### NZ dollar firms on improving risk appetite as US-China trade worries ease

The New Zealand dollar found some support after risk appetite got a lift when US President Donald Trump talked up the prospects of a trade deal with China.

Risk assets, like the kiwi dollar, benefited when Trump tweeted that he had "great respect for the fact that President Xi & his representatives want 'calm resolution.' So impressed that they are willing to come out & state the facts so accurately. This is why he is a great leader & representing a great country. Talks are continuing."

Tensions flared late last week when Trump announced further tariffs on targeted Chinese goods after China unveiled retaliatory tariffs of its own. Fuel was added to the fire when Trump said he wanted US companies to leave China.

According to Trump, however, US trade officials received overnight calls from the Chinese saying they wanted to return to the table, CNBC reported.

#### NZ shares join global sell-off on Trump's trade tweets; Freightways caution weighs

New Zealand shares joined a worldwide sell-off as US President Donald Trump spooked investors by ratcheting his trade war with China. That weighed on the local reporting season, which saw Freightways punished for its cautious outlook.

Stocks across the Asia Pacific followed Wall Street lower with investors spooked by Trump's escalating rhetoric with China. Hong Kong's Hang Seng was the hardest hit in Asia, down 3.1 percent in afternoon trading, while Australia's S&P/ASX 200 Index fell 1.6 percent and Singapore's Straits Times Index was down 1.7 percent.

Freightways fell 3.2 percent to \$7.89 after reporting a 2 percent increase in annual profit, despite the slowing domestic economy. The courier and information management firm will seek to lift annual earnings in the current financial year through more efficient processes and by raising prices.

Chorus fell 2.9 percent to \$4.99 on a volume of 224,000 shares - less than half its 90-day average - after reporting a 2.6 percent decline in operating earnings, in line with expectations, and a surprise exit of chief executive Kate McKenzie.

Meridian Energy declined 2.1 percent to \$4.67 on a volume of 1.5 million shares after reporting a record profit on high production prices, increased generation, and a growing customer book in Australia. McIntyre said the company's increased dividend payment meant it remained a drawcard for investors in search of income while interest rates remain low.

NZX reported the day's biggest increase, up 0.8 percent at \$1.25 on a volume of 164,000 shares, less than its 347,000 average. Trustpower rose 0.4 percent to \$7.73.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,327.53	149.94	▼	1.31%
S&P/NZX 50 Index	10,483.47	140.31	▼	1.32%
S&P/NZX MidCap Index	30,283.70	437.44	▼	1.42%
S&P/NZX SmallCap Index	59,891.35	608.04	▼	1.01%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,531.00	83.30	▼	1.26%
S&P/ASX 200	6,440.10	83.00	▼	1.27%
ASX Small Ordinaries	2,782.00	31.50	▼	1.12%
S&P/ASX MIDCAP 50	6,848.00	80.90	▼	1.17%
S&P/ASX 20	3,562.80	48.30	▼	1.34%

Foreign Markets Index				
	Last	Change		
S&P 500	2,878.38	31.27	▲	1.10%
Dow Jones Industrial Average	25,898.83	269.93	▲	1.05%
NASDAQ Composite	7,853.74	101.97	▲	1.32%
DAX PERFORMANCE-INDEX	11,658.04	46.53	▲	0.40%
ASX All Ordinaries	6,531.00	83.30	▼	1.26%
NIKKEI 225	20,261.04	449.87	▼	2.17%
HANG SENG INDEX	25,680.33	499.00	▼	1.91%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9429	0.0001	▲	0.01%
USD	0.64	0.0004	▲	0.06%
CNY	4.5660	0.0000	▲	0.00%
EUR	0.58	0.0001	▲	0.02%
CAD	0.8482	0.0014	▲	0.17%
GBP	0.52	0.0001	▲	0.02%
JPY	67.8435	0.0525	▲	0.08%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.20			
5y Swap	0.95			
10y Swap	1.21			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,537.10	0.50	▼	0.03%
Silver	17.65	0.23	▲	1.33%
Crude Oil	53.82	0.35	▼	0.65%

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**Do you need to make any changes to your portfolio?**  
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