



MORNING REPORT

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Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

Top News

NZ dollar falls as trade stoush fears remain elevated; business confidence, RBNZ loom

The New Zealand dollar fell as US President Donald Trump hit back at European criticism of his trade protectionism, firmly keeping the global stoush at top of mind for investors.

Investors remain fixated on the tit-for-tat trade rhetoric by global leaders, with the greenback, commodity prices and US equities all gaining. Trump rebuked American motorcycle maker Harley Davidson's plan to move production overseas and hinted the European Union's car makers may face new tariffs once a study on that industry is completed.

Local data today include May overseas merchandise trade and the ANZ business outlook, which will be watched for signs of ongoing pessimism among the domestic business community.

The local currency declined to 92.72 Australian cents from 92.96 cents yesterday and fell to 4.5051 Chinese yuan from 4.5174 yuan. It traded at 58.85 euro cents from 58.83 cents yesterday and was little changed at 51.82 British pence from 51.87 pence. The kiwi traded at 75.42 yen from 75.45 yen yesterday.

NZ shares drop; Pushpay, Trade Me fall while Kathmandu, Fletcher rise

New Zealand shares dropped as heightened global trade tensions weighed across Asian equity markets, led lower by Pushpay Holdings and Trade Me Group while Kathmandu Holdings gained again following its upgrade yesterday.

Pushpay led the index lower, down 2.9 percent to \$4.07. Last week, the mobile payment app company completed a \$100 million bookbuild at \$4.04 per share.

Trade Me fell 2.4 percent to \$4.81. Chief executive Jon Macdonald intends to step down in about six months, leaving a position he held for more than a decade and a company he joined in 2003. Solly said the news may have surprised some people.

Scales Corp dropped 2.1 percent to \$4.64 and Restaurant Brands New Zealand fell 2 percent to \$7.84.

New Zealand Refining Co was down 1.6 percent to \$2.49. Its hydrocracker unit has been shut down after a newly installed valve failed, lengthening delays from its scheduled refinery maintenance shutdown. The Whangarei-based company said it would give a further market update "once we have established the repair and restart plan."

Kathmandu was the best performer again, rising 2.1 percent to \$2.86. Yesterday, the stock surged 12 percent to a three-and-a-half year high after the outdoor equipment retailer said it expects to increase profit this year on higher sales and better margins.

Fletcher Bulding rose 1.6 percent to \$7.10. Last week, the company announced the result of a strategic review which will see the company move to a decentralised operating model with more divisions, cutting annual overheads by \$30 million.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	9,780.95	10.09	▼ 0.10%
S&P/NZX 50 Index	8,989.80	7.44	▼ 0.08%
S&P/NZX MidCap Index	25,438.77	44.26	▼ 0.17%
S&P/NZX SmallCap Index	62,396.29	151.15	▼ 0.24%
S&P/NZAX All Index	493.65	5.03	▼ 1.01%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	6,292.10	16.60	▼ 0.26%
S&P/ASX 200	6,197.60	12.80	▼ 0.21%
ASX Small Ordinaries	2,878.60	17.70	▼ 0.61%
S&P/ASX MIDCAP 50	6,961.60	36.60	▼ 0.52%
S&P/ASX 20	3,413.20	1.80	▼ 0.05%

Foreign Markets Index			
	Last	Change	

S&P 500	2,723.06	5.99	▲ 0.22%
Dow Jones	24,283.11	30.31	▲ 0.12%
NASDAQ Composite	7,561.63	29.62	▲ 0.39%
FTSE	7,537.92	28.08	▲ 0.37%
ASX All Ordinaries	6,292.10	16.60	▼ 0.26%
NIKKEI 225	22,363.99	25.84	▲ 0.12%
HANG SENG INDEX	28,881.40	79.99	▼ 0.28%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9274	0.0030	▼ 0.32%
USD	0.6856	0.0040	▼ 0.58%
CNY	4.5110	0.0020	▲ 0.04%
EUR	0.5885	0.0009	▼ 0.15%
CAD	0.9119	0.0050	▼ 0.55%
GBP	0.5184	0.0009	▼ 0.17%
JPY	75.4555	0.2290	▼ 0.30%

NZ Interest Rates			
	Last	Change	

NZ OCR	1.75		
3-month Bank Bill	1.94		
5-year Swap	2.63		
10-year Swap	3.09		

Commodities Futures			
	Last	Change	

Gold	1,260.60	8.30	▼ 0.65%
Silver	16.28	0.04	▼ 0.26%
Crude Oil	70.45	2.37	▲ 3.48%

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www.equity.co.nz E-mail: Info@equity.co.nz

Contact Equity Investment Advisers today.
Tel: +64 (9)304 0145 / NZ: 0800 474 669