



MORNING REPORT

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Top News

NZD weaker against greenback as trade jitters continue

The New Zealand dollar was weaker as investors fret about whether the US and China will be able to reach a deal after US trade negotiator Robert Lighthizer told the House Ways and Means committee there's still hard work to be done.

Lighthizer said the US is pushing for a deal that includes "significant structural changes" to China's economic model and that it is enforceable. According to Bloomberg, he said it is still too early to see if China will concede to those demands.

ANZ Bank FX/Rates strategist Sandeep Parekh says the demands are a "a pretty high hurdle, and there was a modest risk-off move in markets in response." He notes the comments are not entirely in line with US President Trump's tweets earlier in the week suggesting that a deal was close, which added to the jitters in markets.

Lighthizer also explicitly noted that China simply buying more US exports was not sufficient, and said that signing a deal - with two "ifs" thrown in for good measure - wouldn't be the end of it, given a lack of trust that commitments would be made good on, said Parekh.

NZ shares fall as big Contact volume weighs on power companies; Genesis gains

New Zealand shares fell as a large order of Contact Energy shares weighed on rivals Mercury NZ and Meridian Energy; Genesis Energy gained on a better result than expected.

Electricity generator-retailer Contact was the most active stock, with a volume of 20.8 million, more than 20 times its 90-day average. The shares fell 2.3 percent to \$6.28, having hit a four-year high last week.

Genesis was the exception, up 0.4 percent at \$2.78 after reporting a dip in first-half earnings - from a record a year ago - while raising its annual guidance. Some 537,000 shares changed hands, more than its 354,000 average.

Gentrack led the market lower for a second day, down 3 percent at \$4.55 on volumes of 423,000, about six-times its 70,000 average. The utilities software developer yesterday warned first-half earnings will be lower due to increased spending on staff.

Trade Me increased 0.2 percent to \$6.38 on a volume of 1.9 million shares. It reported an 8.1 percent increase in underlying first-half earnings in what will probably be its swansong as a listed company. British private equity firm Apax Partners is offering \$6.45 a share in a \$2.56 billion takeover, and shareholders are expected to get their notice of special meeting next month.

The software firm's board didn't declare an interim dividend, which needed sign-off by Apax, because it would have negative tax implications for some investors. However, it will consider a special dividend if the deal falls through.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,055.24	43.38	▼	0.43%
S&P/NZX 50 Index	9,281.47	41.66	▼	0.45%
S&P/NZX MidCap Index	26,627.09	88.83	▼	0.33%
S&P/NZX SmallCap Index	57,722.78	226.66	▲	0.39%
S&P/NZAX All Index	554.81	2.17	▲	0.39%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,233.60	24.60	▲	0.40%
S&P/ASX 200	6,150.30	21.90	▲	0.36%
ASX Small Ordinaries	2,764.40	7.60	▲	0.28%
S&P/ASX MIDCAP 50	6,658.90	35.00	▲	0.53%
S&P/ASX 20	3,428.00	15.00	▲	0.44%
Foreign Markets Index				
	Last	Change		
S&P 500	2,792.64	1.26	▼	0.05%
Dow Jones Industrial Average	25,997.19	60.79	▼	0.23%
NASDAQ Composite	7,552.98	3.68	▲	0.05%
DAX PERFORMANCE-INDEX	11,487.33	53.46	▼	0.46%
ASX All Ordinaries	6,233.60	24.60	▲	0.40%
NIKKEI 225	21,556.51	107.12	▲	0.50%
HANG SENG INDEX	28,757.44	14.62	▼	0.05%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9580	0.0010	▼	0.10%
USD	0.6840	0.0052	▼	0.75%
CNY	4.5730	0.0470	▼	1.02%
EUR	0.6016	0.0036	▼	0.59%
CAD	0.8993	0.0083	▼	0.91%
GBP	0.5139	0.0063	▼	1.21%
JPY	75.9315	0.2745	▼	0.36%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.00			
10-year Swap	2.41			
Commodities Futures				
	Last	Change		
Gold	1,320.80	7.70	▼	0.58%
Silver	15.76	0.17	▼	1.04%
Crude Oil	56.91	1.41	▲	2.54%

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