

MORNING REPORT

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Top News

NZ shares up; Pushpay, Air NZ gain while Genesis, Mercury weaken

New Zealand shares gained in light trading, led higher by Pushpay Holdings and Air New Zealand while Genesis Energy and Mercury New Zealand fell.

The S&P/NZX50 Index rose 6.72 points, or 0.08 percent, to 8,996.52. Within the index, 26 stocks fell, 16 rose and eight were unchanged. Turnover was \$118.3 million.

Pushpay led the index higher, up 2.7 percent to \$4.18.

"Tech stocks are more in favour in the US - they have been sold off in the last few days over talks about a retail tax affecting that tech sector, but that trade war rhetoric has died down a bit. They're stronger today on reasonable volume," said Peter McIntyre, investment adviser at Craigs Investment Partners.

Air New Zealand gained 2.2 percent to \$3.22. The company has been ordered to pay A\$15 million for its role in a global air cargo cartel through the middle of last decade by Australia's Federal Court, and has agreed to pay A\$2 million towards the Australian Competition and Consumer Commission's costs.

"They've obviously provisioned for this because it has no material impact on their guidance for 2018 earnings," McIntyre said. "The market has taken that in its stride and expected Air New Zealand to have that provisioned and that has been the case."

Synlait Milk rose 2.7 percent to \$11.50, Spark New Zealand was up 1.8 percent to \$3.75, and Fisher & Paykel Healthcare gained 1.4 percent to \$15.26.

Genesis Energy was the worst performer, down 2.2 percent to \$2.415, while Mercury NZ dropped 1.9 percent to \$3.32 and Mainfreight fell 1.7 percent to \$27.50.

NZ dollar hits 2-yr low as signs of Chinese currency management knock already weak kiwi

The New Zealand dollar dropped to a two-year low as growings signs China will manage its currency as part of a package to manage slowing growth added to the kiwi's downbeat tone after yesterday's weak business confidence reading.

The local currency fell as low as 67.76 US cents, trading at 67.91 cents at 8am in Wellington from 68.50 cents yesterday. The trade-weighted index dropped to 72.73 from 73.07 yesterday.

The People's Bank of China published a weak reference rate for the yuan yesterday, which has seen the Chinese currency effectively devalued by 2 percent over the past six days, its biggest devaluation in almost three years. Chinese authorities are concerned about the slowing pace of growth in the world's second-biggest economy, and at the same time are contending with the prospect of a trade war with the US.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,791.48	10.53	▲	0.11%
S&P/NZX 50 Index	8,996.52	6.72	▲	0.07%
S&P/NZX MidCap Index	25,358.48	80.29	▼	0.32%
S&P/NZX SmallCap Index	62,787.66	391.37	▲	0.63%
S&P/NZAX All Index	493.65	0.00	▲	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,290.50	1.60	▼	0.03%
S&P/ASX 200	6,195.90	1.70	▼	0.03%
ASX Small Ordinaries	2,873.00	5.60	▼	0.19%
S&P/ASX MIDCAP 50	6,954.10	7.50	▼	0.11%
S&P/ASX 20	3,414.90	1.70	▲	0.05%
Foreign Markets Index				
	Last	Change		
S&P 500	2,699.63	23.43	▼	0.86%
Dow Jones	24,117.59	165.52	▼	0.68%
NASDAQ Composite	7,445.09	116.54	▼	1.54%
FTSE	7,621.69	83.77	▲	1.11%
ASX All Ordinaries	6,290.50	1.60	▼	0.03%
NIKKEI 225	22,271.77	70.23	▼	0.31%
HANG SENG INDEX	28,356.26	525.14	▼	1.82%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9257	0.0014	▼	0.15%
USD	0.6796	0.0056	▼	0.82%
CNY	4.4880	0.0180	▼	0.40%
EUR	0.5879	0.0003	▼	0.05%
CAD	0.9077	0.0038	▼	0.42%
GBP	0.5181	0.0002	▼	0.04%
JPY	74.9005	0.4815	▼	0.64%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.61			
10-year Swap	3.08			
Commodities Futures				
	Last	Change		
Gold	1,254.10	5.80	▼	0.46%
Silver	16.04	0.21	▼	1.29%
Crude Oil	72.32	1.79	▲	2.54%

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