

MORNING REPORT

As at 8.41 AM 29/01/2019

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Top News

NZ shares edge higher; Australian, Auckland holidays sap volumes

New Zealand shares edged higher in thin trading, with holidays in Auckland and Australia keeping a lid on activity. Fonterra Shareholders' Fund and Freightways gained.

The S&P/NZX 50 index increased 3.97 points, or 0.04 percent, to 9,114.52. Within the index, 20 stocks gained, 15 fell, and 15 were unchanged. Turnover was quieter than usual at \$25.8 million.

Auckland anniversary and the Australia Day holiday across the Tasman kept the market very quiet. Just 5.2 million shares traded on the benchmark index, about a fifth of the 25.9 million volume daily average over the past three months.

"Market volumes are very low today and it's hard to find any convincing pattern," said Tom McBride, an investment adviser at Hamilton Hindin Greene. "A fair amount of our market volume comes out of Australia as well as Auckland - that's the major reason it's so quiet."

Spark New Zealand was the most active stock, with 1.2 million shares traded - well short of its 3.5 million 90-day average. It fell 0.9 percent to \$4.805. No other top-50 stocks traded on more than a million shares, with Contact Energy the second-most traded on a volume of 402,000, less than half its average activity. Contact slipped 0.2 percent to \$6.07.

NZ dollar falls as slowing Chinese growth weighs on US company earnings

The New Zealand dollar fell after US companies said a slower Chinese economy was weighing on earnings, increasing fears about global growth.

The kiwi declined to 68.36 US cents as at 8am in Wellington from 68.68 cents yesterday. The trade-weighted index decreased to 73.83 from 74.08 yesterday.

The Standard & Poor's 500 index was down 1.5 percent in afternoon trading. Caterpillar shares tumbled on weaker-than-expected quarterly earnings and chipmaker Nvidia cut revenue guidance, with both firms blaming China's slowdown. The earnings outlook eroded optimism about global growth, weighing on risk-sensitive assets such as stocks and commodity-linked currencies including the New Zealand and Australian dollars.

"The weaker earnings results, including tangible evidence of the slowdown in growth in China, have seen global equity indices move lower to start the week," Bank of New Zealand interest rate strategist Nick Smyth said in a note. "The safe-haven Japanese yen and Swiss franc have outperformed against the risk-off backdrop."

The kiwi fell to 74.69 yen, from 74.84 yen yesterday, and declined to 67.70 Swiss centimes from 68.13 centimes.

Investors had been upbeat after the US Federal government shutdown ended over the weekend. However, policymakers have agreed funding only until Feb. 15 and President Donald Trump said there was less than an even chance of a bipartisan deal being reached to avoid another closure.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,888.97	4.56	▲ 0.05%
S&P/NZX 50 Index	9,114.52	3.97	▲ 0.04%
S&P/NZX MidCap Index	26,644.21	27.26	▲ 0.10%
S&P/NZX SmallCap Index	58,224.93	53.34	▲ 0.09%
S&P/NZAX All Index	544.20	21.84	▲ 4.18%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,971.10	40.60	▲ 0.68%
S&P/ASX 200	5,905.60	39.90	▲ 0.68%
ASX Small Ordinaries	2,596.90	32.00	▲ 1.25%
S&P/ASX MIDCAP 50	6,420.20	17.70	▲ 0.28%
S&P/ASX 20	3,300.00	20.40	▲ 0.62%

Foreign Markets Index			
	Last	Change	
S&P 500	2,637.35	27.41	▼ 1.03%
Dow Jones	24,467.18	270.02	▼ 1.09%
NASDAQ Composite	7,069.41	95.45	▼ 1.33%
DAX	11,210.31	71.48	▼ 0.63%
ASX All Ordinaries	5,971.10	40.60	▲ 0.68%
NIKKEI 225	20,649.00	124.56	▼ 0.60%
HANG SENG INDEX	27,576.96	7.77	▲ 0.03%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9532	0.0011	▲ 0.12%
USD	0.6832	0.0002	▼ 0.03%
CNY	4.6080	0.0020	▼ 0.04%
EUR	0.5977	0.0016	▼ 0.27%
CAD	0.9058	0.0024	▲ 0.27%
GBP	0.5192	0.0010	▲ 0.19%
JPY	74.6770	0.1780	▼ 0.24%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.13	
10-year Swap	2.58	

Commodities Futures			
	Last	Change	
Gold	1,301.80	3.70	▲ 0.29%
Silver	15.75	0.05	▲ 0.32%
Crude Oil	51.99	1.70	▼ 3.17%

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