

# MORNING REPORT

As at 8.49 AM 29/07/2019

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

## Top News

### NZ shares fall as investors remain wary of Sky TV

New Zealand shares fell, led lower by Sky Network Television, as investors remain wary of the pay-TV operator's plans to get into online streaming. A2 Milk's sheen also came off in a regional sell-off.

The S&P/NZX 50 Index dropped 90.67 points, or 0.8 percent, to 10,807.61. Within the index, 36 stocks fell, eight rose, and six were unchanged. Turnover was \$101.9 million, with just three companies trading on volumes of more than a million shares.

Sky TV led the market lower, down 3.2 percent at \$1.22 on a volume of 681,000 shares, in line with its 90-day 670,000 average. Chief executive Martin Stewart yesterday unveiled plans to use premium sports rights to attract and retain customers with new sports channels and a dedicated sport streaming service. Broking house Jarden has set an 'outperform' rating on the stock and a target price of \$1.74.

"The move into streaming was a strong one by the new CEO but the market doesn't agree," said Greg Smith, head of research at Fat Prophets. "It is turning around a little bit for them."

Spark New Zealand, which is going head-to-head with Sky in premium sports content, fell 0.8 percent to \$3.89 on a volume of 2.8 million shares. It was the most active stock, but was still short of its 3.2 million average.

Fletcher Building rose 1.8 percent to \$5 with 2.2 million shares changing hands, more than twice its 958,000 average. SkyCity Entertainment Group declined 0.5 percent to \$3.96 on a volume of 1.3 million.

### NZ dollar eases on US GDP; all eyes on Federal Reserve

The New Zealand dollar weakened slightly after data showed the US economy slowed less than expected in the second quarter but the main focus is on the Federal Reserve ahead of its rate decision this week.

The kiwi was trading at 66.30 US cents at 7:55 am in Wellington from 66.33 cents late Friday in New York and 66.53 cents late Friday in Wellington. The trade-weighted index was at 72.93 from 72.94.

US GDP increased at an annual rate of 2.1 percent in the second quarter, down from 3.1 percent in the January-March period. However, the US dollar got a lift as economists had been expecting a lift of 1.8 percent. While the currency firmed on the data, the greenback remains fairly capped as the Federal Reserve is widely expected to cut interest rates by a quarter point at its July 30-31 meeting.

While there is a possibility of a 50-basis point rate cut "the economic data simply hasn't been soft enough to justify anything more dramatic" than 25 points, said Mark Lister, head of private wealth research for Craigs Investment Partners. "More importantly, markets will scrutinise Powell's commentary for any clues as to what the Fed might do next," he said.

Along with the Fed, round 12 of the US-China trade talks are set to kick off in Shanghai this week and will also be a key focus, Kiwibank trader Mike Shirley said.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,672.29	92.60	▼ 0.79%
S&P/NZX 50 Index	10,807.61	90.67	▼ 0.83%
S&P/NZX MidCap Index	30,474.67	235.97	▼ 0.77%
S&P/NZX SmallCap Index	61,108.71	314.75	▲ 0.52%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,879.30	22.60	▼ 0.33%
S&P/ASX 200	6,793.40	24.60	▼ 0.36%
ASX Small Ordinaries	2,970.20	27.40	▼ 0.91%
S&P/ASX MIDCAP 50	7,272.30	10.80	▼ 0.15%
S&P/ASX 20	3,782.30	12.40	▼ 0.33%

Foreign Markets Index			
	Last	Change	
S&P 500	3,025.86	22.19	▲ 0.74%
Dow Jones	27,192.45	51.45	▲ 0.19%
NASDAQ Composite	8,330.21	91.67	▲ 1.11%
DAX	12,419.90	57.80	▲ 0.47%
ASX All Ordinaries	6,879.30	22.60	▼ 0.33%
NIKKEI 225	21,658.15	98.45	▼ 0.45%
HANG SENG INDEX	28,397.74	196.56	▼ 0.69%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9601	0.0002	▲ 0.02%
USD	0.66	-0.0003	▼ 0.05%
CNY	4.5640	0.0000	▲ 0.00%
EUR	0.60	-0.0003	▼ 0.05%
CAD	0.8728	-0.0009	▼ 0.10%
GBP	0.54	-0.0001	▼ 0.02%
JPY	72.0950	-0.0200	▼ 0.03%

NZ Interest Rates		
	Last	Change
NZ OCR	1.50	
3m Bank Bill	1.49	
5y Swap	1.33	
10y Swap	1.68	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,418.50	3.80	▲ 0.27%
Silver	16.41	0.00	▲ 0.01%
Crude Oil	56.16	0.14	▲ 0.25%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

**Do you need to make any changes to your portfolio?**  
[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

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