

MORNING REPORT

As at 8.55 AM 29/05/2019

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 shares fall amid index reweightings; F&P Health gives up more gains

New Zealand shares fell in heavy trading as large investors rejigged their portfolios for a semi-annual index review. Fisher & Paykel Healthcare gave up more gains after yesterday's record profit.

The S&P/NZX 50 Index fell 24.39 points, or 0.2 percent, to 10,123.32. Within the index, 21 stocks fell, 23 rose, and six were unchanged. Turnover was \$264.4 million, of which Auckland International Airport accounted for \$48.3 million.

Trading was busier than usual with an extended session to allow for semi-annual reweightings of MSCI equity indices. Meridian Energy was the most traded stock on a volume of 6.5 million, more than its 1.3 million 90-day average. It fell 0.5 percent to \$4.29.

Spark New Zealand fell 0.9 percent to \$3.765 with 5.8 million shares traded, in line with its usual volume. Auckland International Airport fell 1.1 percent to \$8.525 on a volume of 5.7 million shares, compared to its 1.2 million average.

F&P Healthcare led the market lower, down 4 percent at \$15.43 on a bigger volume than usual of 1.9 million shares. The breathing mask maker has been one of the top performers this year, but gave up some of those gains for a second day having yesterday reported a record profit.

Mainfreight posted the biggest gain on the day, up 4 percent at \$37.45 on a volume of 185,000 shares, more than four times its average of 41,000. The global transport and logistics firm lifted annual profit 28 percent.

Greg Smith, head of research at Fat Prophets, said the two companies reported "pretty good results", and while they're different businesses, the different reactions showed the market wasn't a "one-way street".

New Zealand dollar eases in risk-off markets

The New Zealand dollar eased slightly as markets continue to fret about US-China trade tensions. The focus is now on the central bank's financial stability report this morning.

The kiwi was trading at 65.44 US cents at 8am in Wellington from 65.51 at 5pm and the trade-weighted index was at 72.17 points from 72.07.

"There was a risk-off tone to markets overnight, benefiting bonds and the USD, and hitting equities," said ANZ FX/rates strategist Sandeep Parekh.

According to Bloomberg, if tariffs expand to cover all U.S.-China trade, and markets slump in response, global GDP will take a \$600 billion hit in 2021.

Weak US data - with the Dallas manufacturing index unexpectedly falling into negative territory - did nothing to help sentiment, said Parekh. The Dallas Federal Reserve manufacturing index slipped to five month lows at -5.2 points versus +6 expected. The "outlook uncertainty" component increased substantially, with several businesses pointing to trade talks with China as the source, he said.

Domestically, the Reserve Bank of New Zealand's six-monthly financial stability report will be released, the first since it proposed lifting banks' required capital levels. The proposals include increasing minimum tier 1 capital from 8.5 percent currently to 16 percent for the four major banks

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,941.16	27.37	▼	0.25%
S&P/NZX 50 Index	10,123.32	24.39	▼	0.24%
S&P/NZX MidCap Index	28,783.91	160.36	▲	0.56%
S&P/NZX SmallCap Index	59,587.05	154.16	▼	0.26%
S&P/NZAX All Index	557.26	0.00	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,580.40	35.60	▲	0.54%
S&P/ASX 200	6,484.80	32.90	▲	0.51%
ASX Small Ordinaries	2,875.50	30.40	▲	1.07%
S&P/ASX MIDCAP 50	6,883.30	26.80	▲	0.39%
S&P/ASX 20	3,619.90	22.30	▲	0.62%
Foreign Markets Index				
	Last	Change		
S&P 500	2,802.39	23.67	▼	0.84%
Dow Jones	25,347.77	237.92	▼	0.93%
NASDAQ Composite	7,607.35	29.66	▼	0.39%
DAX	12,027.05	44.13	▼	0.37%
ASX All Ordinaries	6,580.40	35.60	▲	0.54%
NIKKEI 225	21,260.14	77.56	▲	0.37%
HANG SENG INDEX	27,390.81	102.72	▲	0.38%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9452	-0.0007	▼	0.07%
USD	0.65	0.0001	▲	0.02%
CNY	4.5210	0.0070	▲	0.15%
EUR	0.59	0.0015	▲	0.26%
CAD	0.8831	0.0035	▲	0.40%
GBP	0.52	0.0010	▲	0.19%
JPY	71.5760	-0.0920	▼	0.13%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.50			
3m Bank Bill	1.67			
5y Swap	1.61			
10y Swap	1.99			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,279.40	4.20	▼	0.33%
Silver	14.32	0.23	▼	1.58%
Crude Oil	58.98	0.35	▲	0.60%

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 E-mail: Info@equity.co.nz

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