



MORNING REPORT

As at 9.00 AM 30/05/2019

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 dollar weaker as US-China tensions mount

The New Zealand dollar weakened on ongoing concerns that US-China trade tensions will cool global growth and as investors fret that China could use its rare earth resources as leverage in the dispute.

Markets were jittery after China signaled it could restrict the export of rare earth minerals to the US. Rare earths are used in production in a huge number of sectors, including renewable energy technology, oil refining, electronics and the glass industry. According to Capital Economics, if China follows through on the threat offshore rare earth prices would likely jump as China accounts for more than 90 percent of global production.

The budget release has been overshadowed by a leak of sensitive budget information earlier this week. Police, however, have determined that the Treasury's computer system was not 'hacked'.

National Party leader Simon Bridges is expected to detail how the National Party came by the information as speculation mounts that the party gained access to a Treasury website that was being set up privately to house Budget information. A parliamentary IP address was among those found to have accessed a 'cloned' Treasury website where Budget materials were being uploaded in what was meant to be a private environment.

NZ shares fall as more Commercial Bay delays weigh on Fletcher, Precinct

New Zealand shares fell, with Fletcher Building and Precinct Properties New Zealand under pressure on news the Commercial Bay development is running behind schedule and facing more cost overruns.

Fletcher fell 2.6 percent to \$5.30 on a volume of 2.9 million shares, more than twice its 90-day average of 1.2 million. The country's biggest construction firm was under the spotlight again after Precinct warned the Auckland CBD project was set to open six months later than the previous forecast, potentially adding another \$10 million to the \$690 million development cost.

Fonterra Shareholders' Fund units fell 3.4 percent to \$4.04, leading the benchmark index lower. Fonterra Cooperative Group shares, which are restricted to its farmers, fell 3.3 percent to \$4.05. The Reserve Bank today said it was increasingly concerned about rising dairy farm debt. It said about a third of dairy farms are struggling to turn a profit at current prices.

Spark New Zealand was the most traded stock on a volume of 3.9 million shares, less than its usual volume of 5.6 million. It slipped 0.3 percent to \$3.755. Kiwi Property Group rose 0.6 percent to \$1.575 on a volume of 3.3 million, more than its 1.3 million average.

Stride Property Group rose 0.5 percent to \$2.13 after reporting flat annual earnings and an unchanged dividend. It's forecasting an unchanged dividend for the 2020 financial year. Investore Property, which is managed by Stride, increased 0.6 percent to \$1.75.

NZX was unchanged at \$1.05 after Hawke's Bay Regional Council said it will go ahead with plans to sell 45 percent of Napier Port in an initial public offering, with a view to listing the company in July.

| NZX Index | | | |
|--|-----------|--------|-------|
| Index | Last | Change | |
| S&P/NZX All Index | 10,913.62 | 27.54 | 0.25% |
| S&P/NZX 50 Index | 10,096.47 | 26.85 | 0.27% |
| S&P/NZX MidCap Index | 28,698.27 | 85.65 | 0.30% |
| S&P/NZX SmallCap Index | 59,504.20 | 82.85 | 0.14% |
| S&P/NZX All Index | 547.41 | 9.85 | 1.77% |
| ASX Index | | | |
| Index | Last | Change | |
| ASX All Ordinaries | 6,536.60 | 43.80 | 0.67% |
| S&P/ASX 200 | 6,440.00 | 44.80 | 0.69% |
| ASX Small Ordinaries | 2,862.70 | 12.80 | 0.45% |
| S&P/ASX MIDCAP 50 | 6,823.60 | 59.70 | 0.87% |
| S&P/ASX 20 | 3,599.80 | 20.10 | 0.56% |
| Foreign Markets Index | | | |
| | Last | Change | |
| S&P 500 | 2,783.02 | 19.37 | 0.69% |
| Dow Jones Industrial Average | 25,126.41 | 221.36 | 0.87% |
| NASDAQ Composite | 7,547.31 | 60.04 | 0.79% |
| DAX PERFORMANCE-INDEX | 11,837.81 | 189.24 | 1.57% |
| ASX All Ordinaries | 6,536.60 | 43.80 | 0.67% |
| NIKKEI 225 | 21,003.37 | 256.77 | 1.21% |
| HANG SENG INDEX | 27,235.71 | 155.10 | 0.57% |
| Currencies (per NZ\$ 1.00) | | | |
| | Last | Change | |
| AUD | 0.9414 | 0.0001 | 0.01% |
| USD | 0.65 | 0.0001 | 0.02% |
| CNY | 4.5020 | 0.0000 | 0.00% |
| EUR | 0.59 | 0.0003 | 0.05% |
| CAD | 0.8804 | 0.0002 | 0.02% |
| GBP | 0.52 | 0.0002 | 0.04% |
| JPY | 71.3575 | 0.0240 | 0.03% |
| NZ Interest Rates | | | |
| | Last | Change | |
| NZ OCR | 1.50 | | |
| 3m Bank Bill | 1.67 | | |
| 5y Swap | 1.57 | | |
| 10y Swap | 1.94 | | |
| Commodities Futures (Spot Price \$USD) | | | |
| | Last | Change | |
| Gold | 1,279.80 | 2.70 | 0.21% |
| Silver | 14.40 | 0.09 | 0.59% |
| Crude Oil | 59.08 | 0.06 | 0.10% |

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