

MORNING REPORT

As at 8.53 AM 30/10/2019

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 edge higher on growing hopes for US-China trade

New Zealand shares edged higher as growing optimism for a US-China trade deal helped buoy investor sentiment across most of Asia. Auckland International Airport and the Fonterra Shareholders' Fund led the market higher.

The S&P/NZX 50 Index increased 5.11 points, or 0.05 percent, to 10,793.75. Within the index, 20 stocks rose, 26 fell, and four were unchanged. Turnover was \$140.7 million.

Stocks across Asia were broadly stronger, following Wall Street higher, as optimism that the US and China may end their protracted trade war stoked investors' appetite for riskier assets. Australia's S&P/ASX 200 Index was up 0.2 percent in afternoon trading, Singapore's Straits Times Index rose 0.5 percent, and Japan's Topix rose 0.9 percent.

Peter McIntyre, an investment advisor at Craigs Investment Partners, said the local market got a strong lead overnight as US corporate earnings helped push stocks on Wall Street higher. That added to optimism over the trade deal and came ahead of a Federal Reserve policy review where investors expect an interest rate cut.

"Things have been more confident about the US and China trade war," he said.

Auckland Airport, which is New Zealand's main tourist gateway, led the market higher, up 3.2 percent to \$9.235 on a volume of 1.2 million shares, more than its 90-day average of 1 million shares.

NZ dollar pares overnight losses; UK election gets initial approval

The New Zealand dollar pared its overnight losses after UK Prime Minister Boris Johnson won preliminary approval for a Dec. 12 election.

The kiwi was trading at 63.53 US cents at 8am in Wellington from 63.67 at 5pm. It had dipped to 63.37 cents overnight. The trade-weighted index was at 70.20 versus 70.37.

Johnson's bill for an early election was approved without a vote at its second reading on Tuesday, suggesting it has overwhelming support as it heads towards its final stage in parliament, Reuters reported.

However, volatility is expected as lawmakers vote on amendments, including one that seeks to change the date to Dec. 9.

The New Zealand dollar is "very reactive to the ebb and flow of all things Brexit reflecting sentiment," said Stuart Ive, OMF Treasury manager.

The kiwi also benefited when the US dollar dipped on weaker consumer confidence. According to the Conference Board, confidence decreased marginally in October, following a decline in September and August. The Index now stands at 125.9, down from 126.3 in September.

The expectations sub-index – based on consumers' short-term outlook for income, business and labour market conditions – declined from 96.8 last month to 94.9 this month.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,668.93	7.98	▲ 0.07%
S&P/NZX 50 Index	10,793.75	5.11	▲ 0.05%
S&P/NZX MidCap Index	31,216.62	74.87	▼ 0.24%
S&P/NZX SmallCap Index	63,124.65	289.55	▲ 0.46%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,848.50	6.00	▲ 0.09%
S&P/ASX 200	6,745.40	4.70	▲ 0.07%
ASX Small Ordinaries	2,885.40	7.90	▲ 0.27%
S&P/ASX MIDCAP 50	7,051.60	3.30	▲ 0.05%
S&P/ASX 20	3,742.00	0.50	▼ 0.01%

Foreign Markets Index			
	Last	Change	
S&P 500	3,036.51	2.91	▼ 0.10%
Dow Jones	27,076.26	14.46	▼ 0.05%
NASDAQ Composite	8,276.19	49.79	▼ 0.60%
DAX	12,939.62	2.09	▼ 0.02%
ASX All Ordinaries	6,848.50	6.00	▲ 0.09%
NIKKEI 225	22,974.13	106.86	▲ 0.47%
HANG SENG INDEX	26,786.76	104.50	▼ 0.39%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9259	-0.0026	▼ 0.28%
USD	0.64	0.0006	▲ 0.09%
CNY	4.4880	0.0010	▲ 0.02%
EUR	0.57	-0.0002	▼ 0.03%
CAD	0.8321	0.0032	▲ 0.38%
GBP	0.49	0.0002	▲ 0.04%
JPY	69.1790	0.0020	▲ 0.00%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.07	
5y Swap	1.08	
10y Swap	1.43	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,491.30	4.50	▼ 0.30%
Silver	17.83	0.05	▼ 0.29%
Crude Oil	55.44	0.37	▼ 0.66%

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