



# MORNING REPORT

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## Top News

### NZ dollar holds ground against weaker euro as Germany's Merkel signals exit

The New Zealand dollar was largely unmoved against a weaker euro as Germany's long-serving Chancellor Angela Merkel said she won't seek another term in charge of Europe's biggest economy.

The euro fell about half a US cent and recently traded at US\$1.1389 after Merkel said she will stand down as party leader of the Christian Democratic Union, and won't seek re-election at the 2021 election. The CDU is currently the senior partner in a coalition government, and Merkel is in her fourth term as Germany's leader, having steered the country through the global financial crisis and Europe's debt crisis. The regional bloc is currently negotiating the exit of the UK and facing increasing demands for greater autonomy from some of its member states.

The US Dollar Index gained 0.3 percent while stocks on Wall Street extended their slide. Tech stocks including Amazon, Google-parent Alphabet, and Netflix posted sharp declines. Facebook will report quarterly earnings this week.

NZ shares gain; Spark dominates in moribund trading

New Zealand shares rose in lacklustre trading dominated by Spark New Zealand, which will update shareholders at this week's annual meeting.

Some 15.4 million shares of top 50 stocks were traded today, less than the 90-day average of 25.3 million. Craigs Investment Partners adviser Peter McIntyre described trading as subdued ahead of a busy week for US corporate earnings and a number of local annual meetings. Just two companies had volumes of more than 1 million shares.

Spark was the most traded stock with 2.7 million shares changing hands. It rose 1 percent to \$3.87 ahead of its annual meeting on Friday, where shareholders will get an update on how the telecommunications company's new drive to improve margins is tracking.

Sky Network Television gained 2.2 percent to \$2.30 after the pay-TV operator won a High Court ruling against My Box that using the internet-streaming service to show Sky movies, TV and sports programmes breached copyright. Volumes were lighter than usual.

Z Energy increased 0.3 percent to \$5.94 on volumes of 1 million, slightly more than usual. The transport fuels company will report first-half earnings on Thursday. It's been under pressure in recent weeks as domestic petrol prices rose to new records on a weaker currency and rising global oil prices. The government has also fast-tracked legislation to enable regulated market studies with a view to target petrol companies first.

NZX was unchanged at \$1.03 on half its normal volume after reporting a 3.8 percent increase in third-quarter revenue. That was largely on the strength of its funds management business.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	9,406.75	48.82	▲ 0.52%
S&P/NZX 50 Index	8,615.54	47.14	▲ 0.55%
S&P/NZX MidCap Index	25,097.85	2.04	▼ 0.01%
S&P/NZX SmallCap Index	62,498.68	225.66	▲ 0.36%
S&P/NZAX All Index	531.52	0.00	▼ 0.00%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	5,813.80	54.20	▲ 0.94%
S&P/ASX 200	5,728.20	63.00	▲ 1.11%
ASX Small Ordinaries	2,545.10	0.10	▼ 0.00%
S&P/ASX MIDCAP 50	6,444.10	51.80	▲ 0.81%
S&P/ASX 20	3,178.90	45.50	▲ 1.45%

Foreign Markets Index			
	Last	Change	

S&P 500	2,641.25	17.44	▼ 0.66%
Dow Jones Industrial Average	24,442.92	245.39	▼ 0.99%
NASDAQ Composite	7,050.29	116.92	▼ 1.63%
DAX PERFORMANCE-INDEX	11,335.48	134.86	▲ 1.20%
ASX All Ordinaries	5,813.80	54.20	▲ 0.94%
NIKKEI 225	21,149.80	34.80	▼ 0.16%
HANG SENG INDEX	24,812.04	94.41	▲ 0.38%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9242	0.0047	▲ 0.51%
USD	0.6523	0.0003	▼ 0.05%
CNY	4.5410	0.0100	▲ 0.22%
EUR	0.5730	0.0001	▲ 0.02%
CAD	0.8567	0.0022	▲ 0.26%
GBP	0.5096	0.0005	▲ 0.10%
JPY	73.2620	0.2470	▲ 0.34%

NZ Interest Rates			
	Last	Change	

NZ OCR	1.75		
3-month Bank Bill	1.94		
5-year Swap	2.30		
10-year Swap	2.78	▲	0.09%

Commodities Futures			
	Last	Change	

Gold	1,230.90	4.90	▼ 0.40%
Silver	14.46	0.24	▼ 1.63%
Crude Oil	66.80	0.79	▼ 1.17%

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