

MORNING REPORT

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Top News

NZ shares drift after US stocks eased back overnight

New Zealand shares drifted in quiet trading after US stocks ended in the red. Spark slid while A2 Milk helped shore up the index.

The S&P/NZX 50 index fell 3.97 points, or 0.04 percent, to 8,964.58. Within the index, 23 stocks fell, eight were unchanged and 19 lifted. Turnover was \$121.4 million.

The Dow Jones Industrial Average fell 0.36 percent while the S&P 500 lost 0.53 percent and the Nasdaq Composite dropped 0.94 percent after weak trade data from China rekindled concerns about a global slowdown.

The lead from offshore weighed on Spark, which saw 7 million shares change hands versus an average daily volume of 3.15 million over the past three months. Spark ended 1.7 percent lower at \$4.07.

"It is a large company and it gets a lot of international attention. It can be driven by other factors apart from the retail market," said Forsyth Barr investment adviser Grant Batchelor.

He noted, however, volumes were generally very light across the market.

"That is the market at this time of this year. Most of the big players are away," he said.

NZD treads water ahead of Brexit vote; buoyed by dairy auction, China stimulus

The kiwi stuck to a tight range ahead of the Brexit vote in the UK, helped by new China stimulus and a solid overnight milk auction.

The kiwi was trading at 68.06 US cents at 8am in Wellington, versus 68.38 cents at 5pm yesterday. The trade-weighted index was at 73.66 from 73.78.

Risk appetite got a lift when Chinese officials said they would step-up efforts to spur economic growth this year, amid signs that the country's economic slowdown has deepened, Dow Jones Newswires reported. Beijing intends to improve credit availability for smaller companies, accelerate infrastructure investment and cut taxes, officials told a briefing Tuesday. China is New Zealand's largest trading partner.

"Markets were calm ahead of the UK parliamentary vote on the Brexit withdrawal agreement, boosted by news that Chinese authorities will provide further stimulus through tax cuts.," said ANZ Bank senior economist Liz Kendall in a morning note.

The kiwi was also supported by a 4.2 percent rise in overall prices in the latest GlobalDairyTrade auction. The average price was US\$3,057 a tonne, compared with US\$2,986 a tonne two weeks ago. Some 27,909 tonnes of product was sold, down from 28,651 tonnes two weeks ago. Whole milk powder advanced 3 percent to US\$2,777 a tonne.

Dairy prices are starting to gain momentum on the back of lower seasonal offerings and the recent rapid reduction in government-held skim milk powder stocks in the European Union, said Kendall.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,735.88	4.87	▼ 0.05%
S&P/NZX 50 Index	8,964.58	3.97	▼ 0.04%
S&P/NZX MidCap Index	26,217.69	7.98	▼ 0.03%
S&P/NZX SmallCap Index	58,505.33	95.86	▼ 0.16%
S&P/NZX All Index	508.54	0.37	▼ 0.07%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,871.80	38.60	▲ 0.66%
S&P/ASX 200	5,814.60	41.20	▲ 0.71%
ASX Small Ordinaries	2,521.80	17.00	▲ 0.68%
S&P/ASX MIDCAP 50	6,333.10	45.70	▲ 0.73%
S&P/ASX 20	3,264.20	23.90	▲ 0.74%

Foreign Markets Index			
	Last	Change	
S&P 500	2,599.93	17.32	▲ 0.67%
Dow Jones	23,977.53	67.69	▲ 0.28%
NASDAQ Composite	6,988.92	83.01	▲ 1.20%
DAX	10,891.79	35.88	▲ 0.33%
ASX All Ordinaries	5,871.80	38.60	▲ 0.66%
NIKKEI 225	20,555.29	195.59	▲ 0.96%
HANG SENG INDEX	26,830.29	531.96	▲ 2.02%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9473	0.0005	▼ 0.05%
USD	0.6808	0.0014	▼ 0.21%
CNY	4.6120	0.0050	▼ 0.11%
EUR	0.5974	0.0027	▲ 0.45%
CAD	0.9044	0.0015	▼ 0.17%
GBP	0.5346	0.0047	▲ 0.89%
JPY	73.8275	0.0470	▲ 0.06%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.14	
10-year Swap	2.59	

Commodities Futures			
	Last	Change	
Gold	1,290.10	1.20	▼ 0.09%
Silver	15.63	0.06	▼ 0.36%
Crude Oil	51.88	1.37	▲ 2.71%

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