



MORNING REPORT

As at 9.00 AM 18/02/2019

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 starts the week with a tailwind as positive US-China trade talks boost sentiment

The New Zealand dollar started the week on the front foot as investors were buoyed by positive noises coming from the latest round of trade talks between the US and China.

US President Donald Trump said the trade talks went extremely well after Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer visited Beijing last week. Talks will continue this week, and Trump has indicated a willingness to delay imposing new tariffs on Chinese products that are scheduled to come into effect in early March.

Investor sentiment was also buoyed by US policymakers averting another Federal government shutdown after Trump signed a budget bill. However, at the same time, he declared a national emergency to direct funds to build a wall on the Mexican border, which was a major stumbling block in reaching a deal.

Local data today include the Business New Zealand performance of services index and Statistics New Zealand's December accommodation survey. Local tourism data is under greater scrutiny at the moment after China's Global Times reported dwindling tourist appetite to travel to New Zealand.

NZ shares dip as global trade jitters weigh on A2, F&P

New Zealand shares fell as pessimism over trade negotiations between the US and China cast a pall across Asia. Exporters including A2 Milk and Fisher & Paykel Healthcare led the market lower.

Stocks across Asia were weaker, with Hong Kong's Hang Seng down 1.6 percent in afternoon trading, Korea's Kospi 200 down 1.9 percent, and Singapore's Straits Times index down 0.4 percent. US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin are in Beijing for high-level trade talks, but have reportedly not made any inroads into ending the stalemate.

A2 Milk led the market lower, down 3.8 percent at \$12.79. About 2.1 million shares changed hands, almost twice its 90-day average of 1.1 million. F&P Healthcare fell 1.4 percent to \$13.51 on slightly smaller volume than usual at 412,000.

New Zealand's own relationship with China - its biggest trading partner - came under scrutiny today after China's Global Times reported of dwindling tourist appetite to travel to New Zealand. Air New Zealand fell 1.7 percent to \$2.665 on a bigger volume than normal of 1.7 million shares. Auckland International Airport slipped 0.1 percent to \$7.50 on less than half its average volume.

NZX was unchanged at \$1.02, with 862,000 shares changing hands, compared to its 142,000 average. The stock market operator reported a 22 percent decline in annual profit, largely due to the cost of restructuring its business to focus on the capital markets.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,030.53	36.52	▼	0.36%
S&P/NZX 50 Index	9,245.65	39.27	▼	0.42%
S&P/NZX MidCap Index	26,915.84	4.74	▼	0.02%
S&P/NZX SmallCap Index	58,785.70	534.34	▲	0.92%
S&P/NZAX All Index	558.20	3.93	▼	0.70%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,148.60	9.00	▲	0.15%
S&P/ASX 200	6,066.10	6.70	▲	0.11%
ASX Small Ordinaries	2,726.20	13.10	▲	0.48%
S&P/ASX MIDCAP 50	6,547.20	8.30	▼	0.13%
S&P/ASX 20	3,365.00	2.90	▲	0.09%

Foreign Markets Index				
	Last	Change		
S&P 500	2,775.60	29.87	▲	1.09%
Dow Jones Industrial Average	25,883.25	443.86	▲	1.74%
NASDAQ Composite	7,472.41	45.46	▲	0.61%
DAX PERFORMANCE-INDEX	11,299.80	210.00	▲	1.89%
ASX All Ordinaries	6,148.60	9.00	▲	0.15%
NIKKEI 225	20,900.63	239.07	▼	1.13%
HANG SENG INDEX	27,900.84	531.26	▼	1.87%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9615	0.0004	▲	0.04%
USD	0.6860	0.0006	▼	0.09%
CNY	4.6470	#VALUE!	#VALUE!	
EUR	0.6075	0.0003	▼	0.05%
CAD	0.9092	0.0001	▲	0.01%
GBP	0.5306	0.0018	▼	0.34%
JPY	75.7450	0.0800	▼	0.11%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.09	
10-year Swap	2.49	

Commodities Futures				
	Last	Change		
Gold	1,325.00	11.10	▲	0.84%
Silver	15.76	0.23	▲	1.46%
Crude Oil	55.79	1.38	▲	2.54%

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.

www.equity.co.nz [E-mail: Info@equity.co.nz](mailto:Info@equity.co.nz)

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