

MORNING REPORT

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Top News

Kiwi dollar steady as markets await Brexit developments

The kiwi was steady as markets await further developments on the Brexit front.

The kiwi was trading at 49.32 British pence at 7:55 am in Wellington from 49.30 late Friday in New York. It was at 63.78 US cents from 63.83 cents and the trade-weighted index was at 70.52 from 70.55.

Brexit ructions continued over the weekend with UK Prime Minister Boris Johnson forced to send a letter to the European Union requesting a delay.

Johnson sent the request note as required, but unsigned, and added another signed letter arguing against the delay. One of his most senior ministers said Britain would still leave the bloc on Oct. 31.

"We are going to leave by October 31. We have the means and the ability to do so," Michael Gove, the minister in charge of no-deal Brexit preparations, told Sky News.

In a tweet, Donald Tusk, president of the European Council, said he had received the extension request and would consult EU leaders on how to react.

Meanwhile, the kiwi was also steady against the greenback as markets continued to expect the Federal Reserve to cut rates by 25 basis points at the end of the month.

Blue-chip stocks Meridian, A2 lead market lower

New Zealand shares fell, led by blue-chip stocks such as Meridian Energy and A2 Milk Co, as weaker than expected Chinese growth weighed on Asian markets.

The S&P/NZX 50 Index dropped 74.74 points, or 0.7 percent, to 11,067.12. Within the index, 25 stocks fell, 19 rose, and six were unchanged. Turnover was \$137.1 million.

Stocks across Asia fell after China said gross domestic product grew at an annual 6 percent pace in the third quarter, its slowest pace in almost 30 years and falling short of economists' 6.1 percent forecast. China's Shanghai Composite Index was down 0.6 percent in afternoon trading, Australia's S&P/ASX 200 Index also fell 0.6 percent, and Singapore's Straits Times Index declined 0.4 percent.

Meridian, New Zealand's biggest listed company, led the local market lower, down 2.2 percent at \$5.28 on a volume of 2.9 million shares, more than its 90-day average of 1.4 million. It's been the best-performing stock on the NZX50 so far this year, up 56 percent, with investors attracted to the reliable dividend income in a low interest rate environment.

Among other blue-chip stocks, A2 was down 2.1 percent at \$13.07, Ryman Healthcare declined 1.8 percent to \$13.30, Fisher & Paykel Healthcare decreased 1.3 percent to \$18.75 and Contact Energy slipped 1.2 percent to \$8.45 on a volume of 2.8 million shares.

SkyCity Entertainment Group edged up 0.3 percent to \$3.94 after telling shareholders that there had been a positive start to the new financial year, particularly at its Auckland gaming machines.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,952.05	74.30	▼ 0.62%
S&P/NZX 50 Index	11,067.13	74.74	▼ 0.67%
S&P/NZX MidCap Index	31,922.52	42.81	▼ 0.13%
S&P/NZX SmallCap Index	62,590.73	156.76	▲ 0.25%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,758.40	33.10	▼ 0.49%
S&P/ASX 200	6,649.70	35.00	▼ 0.52%
ASX Small Ordinaries	2,866.70	15.60	▼ 0.54%
S&P/ASX MIDCAP 50	7,018.20	38.90	▼ 0.55%
S&P/ASX 20	3,685.80	17.40	▼ 0.47%

Foreign Markets Index			
	Last	Change	
S&P 500	2,826.06	3.82	▲ 0.14%
Dow Jones	25,585.69	95.19	▲ 0.37%
NASDAQ Composite	7,637.01	8.73	▲ 0.11%
DAX	12,011.04	58.64	▲ 0.49%
ASX All Ordinaries	6,758.40	33.10	▼ 0.49%
NIKKEI 225	21,117.22	0.00	▲ 0.00%
HANG SENG INDEX	27,353.93	86.83	▲ 0.32%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9317	0.0007	▲ 0.08%
USD	0.64	-0.0004	▼ 0.06%
CNY	4.5200	0.0000	▲ 0.00%
EUR	0.57	0.0013	▲ 0.23%
CAD	0.8382	0.0002	▲ 0.02%
GBP	0.49	0.0014	▲ 0.28%
JPY	69.2250	0.0400	▲ 0.06%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.05	
5y Swap	1.02	
10y Swap	1.34	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,493.40	4.90	▼ 0.33%
Silver	17.57	0.04	▼ 0.24%
Crude Oil	53.70	0.23	▼ 0.43%

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