

Morning Report

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Top News

NZ dollar little changed after sinking to 3-month on Labour's poll lead, weaker confidence

The New Zealand dollar was little changed, having dropped to a three-month low overnight following a report showing weaker business confidence and a poll showing National had lost its opinion poll lead to Labour three weeks out from the election.

The ANZ Business Outlook showed business confidence dipped in August versus July and pricing intentions dropped, underlining expectations inflation will remain relatively restrained. Meanwhile, the latest Colmar Brunton Poll put support for Labour at 43%, ahead of National on 41% while Jacinda Ardern is ahead of Bill English as preferred prime minister at 34% to 33%.

Mnuchin comments lift stocks

Wall Street advanced amid optimism about the Trump administration's tax reform and the outlook for the US economy ahead of Friday's jobs data.

US Treasury Secretary Steven Mnuchin said the administration has a "very detailed" tax plan ready and "couldn't be more excited" about its prospects. He made the comments in an interview with CNBC.

The Dow gained as advances in shares of DuPont and those of General Electric, recently up 2.2% and 1.7% respectively, outweighed slides in shares of Walt Disney and those of Travelers, recently down 1.5% and 1% respectively.

In the latest US economic data, a Commerce Department report showed consumer spending rose 0.3% in July, following a 0.2% advance in June. Meanwhile, the personal consumption expenditures price index excluding food and energy rose 0.1% last month.

NZ house price slowdown may be short-lived in face of supply squeeze, migration: QV

Annual growth in New Zealand property values growth dropped below 5% for the first time in five years, as inflated Auckland house prices continued to moderate after several years of rapid gains.

The QV house price index rose 4.8% in the year to August, the slowest annual rate since August 2012 and down from an annual increase of 6.4% in July, state-owned valuer Quotable Value said. Values increased 1.2% to a national average \$641,648 in the three months ended Aug. 31, more than double the previous market peak in late 2007.

The slowdown was once again led by the Auckland property market, where values rose 2.8% in the year, the smallest annual increase since October 2011. The average house in the region is now valued at \$1.04 million, up 91% on 2007's peak or 59% on an inflation-adjusted basis.

New Zealand's house price growth has calmed since banks introduced tighter lending conditions and started indicating interest rates would start rising, while the Reserve Bank's curbs on riskier mortgage loans have excluded many first-home buyers who struggle to cobble together a sufficient deposit on increasingly expensive houses.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,462.81	34.26	↑	0.41%
S&P/NZX 50 Index	7,817.10	35.16	↑	0.45%
S&P/NZX Mid Cap Index	22,344.29	27.88	↑	0.12%
S&P/NZX Small Cap	52,349.02	74.68	↑	0.14%
S&P/NZAX All Index	564.52	4.14	↑	0.74%

ASX Index				
Index	Last	Change		
ALL ORDINARIES	5,776.3	42.5	↑	0.74%
S&P/ASX 200	5,714.5	44.8	↑	0.78%
S&P/ASX SMALL ORD	2,436.5	23.4	↑	0.96%
S&P/ASX MIDCAP 50	6,172.4	21.4	↑	0.35%
S&P/ASX 20	3,207.1	28.6	↑	0.89%

Foreign Markets Index				
	Last	Change		
S&P 500	2,471.65	14.06	↑	0.57%
DJIA	21,948.10	55.67	↑	0.25%
Nasdaq	6,428.66	60.35	↑	0.95%
FTSE 100	7,430.62	65.36	↑	0.89%
ALL ORDINARIES	5,776.30	42.50	↑	0.74%
Nikkei 225	19,646.24	139.70	↑	0.72%
Hang Seng	27,970.30	124.31	↓	0.44%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9034			
USD	0.7178			
CNY	4.7310			
EUR	0.6029	0.0002	↑	0.03%
CAD	0.8958	0.0002	↓	0.02%
GBP	0.5553	0.0002	↑	0.04%
JPY	78.9375	0.0065	↑	0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.96	
5-year Swap	2.67	
10-year Swap	3.16	

Commodities				
	Last	Change		
Spot Gold \$US	1,321.00	0.29	↓	0.02%
Spot Silver \$US	17.54	0.03	↓	0.15%
Oil(WTI)	47.11	1.12	↑	2.44%

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