

Morning Report

As at 8:50 AM 02 August 2017

Top News

NZ dollar drops with commodity currencies as crude, dairy fall, jobs data looms

The New Zealand dollar fell along with other so-called commodity currencies as crude oil fell and prices unexpectedly declined in the latest GlobalDairyTrade auction.

Brent crude oil fell about 1.7% to US\$51.83 a barrel overnight and the CRB Index of 19 commonly traded commodities fell 0.7%. Meanwhile, dairy product prices fell at the GlobalDairyTrade auction, declining for the third time in four auctions, amid concern about extra supply. The GDT price index slid 1.6% from the previous auction two weeks ago to US\$3,343. In New Zealand, traders are now awaiting second-quarter labour market data this morning.

The employment figures are expected to show the jobless rate fell to 4.8% from 4.9% while employment growth slowed to 0.7% from 1.2% in the first quarter. Wage pressures probably remained tepid.

Traders are also watching for a speech on banking regulation by Reserve Bank deputy governor Grant Spencer this morning.

Dow hits fresh record

Wall Street advanced, with the Dow Jones touching a fresh record high, as better-than-expected corporate earnings bolstered the mood.

After the bell, Apple is set to reports its latest quarterly results. The stock traded 0.3% higher at US\$149.20 as of 3.27pm in New York.

With two thirds of S&P 500 companies having reported their second-quarter earnings, 72% have beaten Wall Street's expectations, above the rate in the typical quarter when 64% of companies exceed estimates, according to Reuters.

In the Dow, gains in shares of Intel and those of Verizon, recently up 2.3% and 1.7% respectively, outweighed slides in shares of Boeing and those of Caterpillar, recently down 1.3% and 0.9% respectively.

NZ shares follow Asia higher led by blue chip stocks Spark, F&P Healthcare

New Zealand shares rose, following Asia higher, as blue-chip stocks including Spark New Zealand and Fisher & Paykel Healthcare helped drag the benchmark index up, offsetting a bigger number of smaller firms declining.

Stocks across Asia gained, followed Wall Street's cue where the Dow Jones Industrial Average reached a new record as US company earnings continued to largely beat expectations while low interest rates continue to drive the allure of equities. Australia's S&P/ASX 200 index was up 0.98% in afternoon trading while Japan's Topix gained 0.5% and China's Shanghai Composite increased 0.4%.

Spark led the NZX 50 higher, rising 2.9% to \$3.86. Sky Network Television gained 2.1% to \$3.38, Metlifecare increased 2% to \$5.70 and F&P Healthcare climbed 1.6% to \$11.14.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,375.79	35.80	↑	0.43%
S&P/NZX 50 Index	7,729.44	35.45	↑	0.46%
S&P/NZX Mid Cap Index	22,022.04	0.13	↑	0.00%
S&P/NZX Small Cap	52,423.87	6.34	↓	0.01%
S&P/NZAX All Index	582.34	0.99	↑	0.17%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,820.6	46.7	↑	0.80%
S&P/ASX 200	5,772.4	51.8	↑	0.90%
S&P/ASX SMALL ORD	2,383.4	5.3	↑	0.22%
S&P/ASX MIDCAP 50	6,200.9	45.1	↑	0.73%
S&P/ASX 20	3,301.5	30.7	↑	0.93%

Foreign Markets Index				
	Last		Change	
S&P 500	2,476.35	6.05	↑	0.24%
DJIA	21,963.92	72.80	↑	0.33%
Nasdaq	6,362.94	14.82	↑	0.23%
FTSE 100	7,423.66	51.66	↑	0.70%
ALL ORDINARIES	5,820.60	46.70	↑	0.80%
Nikkei 225	19,985.79	60.61	↑	0.30%
Hang Seng	27,540.23	216.24	↑	0.79%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9374	0.0014	↓	0.15%
USD	0.7470	0.0043	↓	0.57%
CNY	5.0200	0.0320	↓	0.63%
EUR	0.6330	0.0014	↓	0.22%
CAD	0.9371	0.0005	↓	0.05%
GBP	0.5657	0.0028	↓	0.49%
JPY	82.4345	0.3990	↓	0.48%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.95	
5-year Swap	2.78	
10-year Swap	3.31	

Commodities				
	Last		Change	
Spot Gold \$US	1,269.56	0.19	↑	0.01%
Spot Silver \$US	16.71	0.11	↓	0.64%
Oil(WTI)	49.18	1.00	↓	1.99%

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 contribution valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

Tel: +64 (9)304 0145

Web: www.equity.co.nz

E-mail: Info@equity.co.nz

Address: Level 7, 12-26 Swanson Street, Auckland, NZ