



## MORNING REPORT

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### Top News

#### NZ dollar gains as Fed's hiking plans, US manufacturing data fail to underpin greenback

The New Zealand dollar rose against a broadly weaker greenback after the Federal Reserve's reiteration of its rate hike plans and strong US manufacturing data failed to stoke the US currency.

The ISM manufacturing index was 59.1 in January from 59.3 in December, beating estimates of 58.6 in the latest month. The data came after Federal Reserve chair Janet Yellen emphasised the Fed's intention to raise interest rates this year and economists are debating whether it will be three hikes or four. Today's payrolls data in the US will be keenly watched for evidence of wage inflation and economic growth.

The US economy probably added 180,000 jobs in January, from a 148,000 gain the previous month while average hourly earnings gained 2.6 percent year-on-year, up from a 2.5 percent rate a month earlier.

#### eBay rallies as it drops PayPal

Wall Street rose, bolstered by better-than-expected corporate earnings including from Facebook and eBay.

Shares of Facebook traded 4 percent stronger as of 1.33pm in New York, while those of eBay jumped 15.3 percent.

eBay shares rallied on an upbeat outlook and its plans to team up with Adyen, a Netherlands-based global payments company, shifting away from its longtime payments processing partner PayPal. Shares of PayPal sank, down 6.3 percent recently.

Wall Street's gains were limited as investors adjusted to the possibility of accelerating inflation and interest rate increases following Wednesday's statement at the end of a Federal Reserve policy meeting.

The Dow rose as gains in shares of Walt Disney and those of Boeing, recently up 1.7 percent and 1.6 percent respectively, outweighed declines in shares of DowDuPont and those of General Electric, recently down 2.1 percent and 0.7 percent respectively.

#### NZ shares fall after month-end positioning; Contact, Summerset decline

New Zealand shares fell on the first day of the month in a muted trading session after institutional investors staked out positions yesterday. Contact Energy and Summerset Group Holdings declined.

The benchmark index gave up some of yesterday's gains when it jumped 1.7 percent on turnover of more than \$200 million. That month-end positioning by large investors coincided with Xero's final day of trading on NZX to become solely listed on the Australian Securities Exchange.

SkyCity Entertainment Group was down 1.9 percent to \$4.07, paring some of Wednesday's 4.3 percent gain. Air New Zealand dropped 1 percent to \$3.05 having gained 3.7 percent previously, and Sky Network Television dropped 1 percent to \$2.88 after it advanced 3.6 percent previously.

### NZX Index

Index	Last	Change
S&P/NZX All Index	9,119.445	57.585 ▼ 0.63%
S&P/NZX 50 Index	8,383.871	58.139 ▼ 0.69%
S&P/NZX MidCap Index	24,432.887	124.363 ▼ 0.51%
S&P/NZX SmallCap Index	59,309.042	285.082 ▲ 0.48%
S&P/NZAX All Index	541.706	1.706 ▲ 0.32%

### ASX Index

Index	Last	Change
ASX All Ordinaries	6,198.80	52.30 ▲ 0.85%
S&P/ASX 200	6,090.10	52.40 ▲ 0.87%
ASX Small Ordinaries	2,775.20	21.20 ▲ 0.77%
S&P/ASX MIDCAP 50	6,888.70	61.00 ▲ 0.89%
S&P/ASX 20	3,383.00	31.30 ▲ 0.93%

### Foreign Markets Index

	Last	Change
S&P 500	2,826.59	2.78 ▲ 0.10%
Dow Jones	26,193.50	44.11 ▲ 0.17%
NASDAQ Composite	7,409.37	2.11 ▼ 0.03%
FTSE	7,490.39	43.16 ▼ 0.57%
ASX All Ordinaries	6,198.80	52.30 ▲ 0.85%
NIKKEI 225	23,486.11	387.82 ▲ 1.68%
HANG SENG INDEX	32,642.09	245.18 ▼ 0.75%

### Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9199	0.0057 ▲ 0.62%
USD	0.7394	0.0029 ▲ 0.39%
CNY	4.6570	0.0280 ▲ 0.60%
EUR	0.5912	0.0020 ▼ 0.34%
CAD	0.9071	0.0003 ▲ 0.03%
GBP	0.5181	0.0009 ▼ 0.17%
JPY	80.9075	0.4855 ▲ 0.60%

### NZ Interest Rates

	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.73	
10-year Swap	3.26	

### Commodities Futures

	Last	Change
Gold	1,349.30	6.20 ▲ 0.46%
Silver	17.18	0.06 ▼ 0.32%
Crude Oil	65.83	1.10 ▲ 1.70%

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