

# MORNING REPORT

As at 9:05 AM 02-03-18

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## Top News

### NZ dollar retreats from overnight highs as Trump tariffs stoke trade-war fears

The New Zealand dollar has gained from its levels late yesterday but has retreated from its overnight highs after US President Donald Trump announced tariffs on imported steel and aluminium stoking concern he may trigger a trade war that slows global growth.

Trump said he will impose a 25 percent tariff on imports of steel and 10 percent on aluminium steel imports as soon as next week, a move he said is aimed at protecting US industry. Meanwhile, Federal Reserve chair Jerome Powell talked about the US economy for the second time this month, although his remarks were seen as more dovish because he said there was "no evidence the (US) economy is overheating."

### Trump's tariffs sink Wall St

Wall Street declined, while Treasuries rose, after US President Donald Trump said the US will impose tariffs on steel and aluminum imports next week.

Shares of the nation's steel and aluminum companies including US Steel jumped after Trump said the US will impose tariffs of 25 percent on steel imports and 10 percent on aluminum. US Treasuries gained, pushing the yield on the 10-year note two basis points lower to 2.84 percent.

The Dow fell, led by declines in shares of United Technologies and those of Boeing, recently down 2.9 percent and 2.8 percent respectively.

Shares of Verizon and those of Merck, recently up 0.8 percent and 0.02 percent respectively, were the only stocks in the Dow to post gains as of early afternoon trading.

### NZ shares follow Asian markets lower after 'pretty good' earnings season; Sky falls

New Zealand shares joined a regionwide sell-off with Asian equity markets following Wall Street lower as global investors second-guess the outlook for US interest rates, and as local analysts absorb a "pretty good" earnings season. Sky Network Television fell for a second day.

Stocks across Asia declined, with Australia's S&P/ASX 200 index down 0.8 percent in afternoon trading and Japan's Topix down 1.3 percent, following Wall Street lower as investors prepare for Federal Reserve chair Jerome Powell's second congressional testimony, where they're seeking clues on how quickly US interest rates will rise, which reduces the appeal of equities.

Fletcher announced it was granted a waiver by the US private placement noteholders after trading had closed.

Sky led the market lower, falling 2.8 percent to \$2.46, adding to yesterday's 9.6 percent decline when the pay-TV operator slashed its dividend and lowered the price of its entry-level service.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	9,061.042	39.928	▼	0.44%
S&P/NZX 50 Index	8,342.713	37.387	▼	0.45%
S&P/NZX MidCap Index	23,593.719	27.801	▼	0.12%
S&P/NZX SmallCap Index	57,303.853	325.617	▼	0.57%
S&P/NZAX All Index	558.326	0.374	▼	0.07%
ASX Index				
Index	Last		Change	
ASX All Ordinaries	6,075.70	41.60	▼	0.68%
S&P/ASX 200	5,973.30	42.70	▼	0.71%
ASX Small Ordinaries	2,730.70	17.60	▼	0.64%
S&P/ASX MIDCAP 50	6,790.70	47.40	▼	0.69%
S&P/ASX 20	3,323.40	24.00	▼	0.72%
Foreign Markets Index				
	Last		Change	
S&P 500	2,664.88	48.95	▼	1.80%
Dow Jones	24,483.40	545.80	▼	2.18%
NASDAQ Composite	7,148.94	124.07	▼	1.71%
FTSE 100	7,175.64	56.27	▼	0.78%
ASX All Ordinaries	6,075.70	41.60	▼	0.68%
NIKKEI 225	21,724.47	343.77	▼	1.56%
HANG SENG INDEX	31,044.25	199.53	▲	0.65%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9349	0.0063	▲	0.68%
USD	0.7255	0.0047	▲	0.65%
CNY	4.6120	0.0490	▲	1.07%
EUR	0.5921	0.0011	▲	0.19%
CAD	0.9309	0.0060	▲	0.65%
GBP	0.5270	0.0032	▲	0.61%
JPY	77.0780	0.1865	▲	0.24%
NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.71			
10-year Swap	3.20			
Commodities Futures				
	Last		Change	
Gold	1,314.70	3.20	▼	0.24%
Silver	16.40	0.01	▼	0.04%
Crude Oil	61.11	0.53	▼	0.86%

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