

MORNING REPORT

As at 9:00 AM 03-05-18

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Top News

Wall St mixed as Fed seen on track for June hike

Wall Street seesawed after the Federal Reserve stopped short of signalling a steeper path in interest rate increases.

The US dollar gave up some of its gains, while oil and gold rose. US Treasuries eked out an advance, sending the yield on the 10-year note less than one basis point lower to 2.96 percent, according to Bloomberg.

The Dow fell as declines in shares of Verizon and those of Travelers, recently down 2.1 percent and 1.6 percent respectively, outweighed rallies in shares of Apple and those of General Electric, recently up 5 percent and 1.7 percent respectively.

Shares of Apple rallied after the company's quarterly results, released after the market closed on Tuesday, beat analysts' expectations.

NZ dollar falls to 4-month low as US jobs growth adds to view Fed will hike again in June

The New Zealand dollar fell to its lowest level in more than four months as further signs of a robust US jobs market stoked expectations that the Federal Reserve will raise interest rates again next month.

The Federal Open Market Committee kept the fed funds rate unchanged as expected in a range of 1.5 percent to 1.75 percent at the end of its two-day policy meeting and said it expected inflation to hold near its 2 percent target, even hinting it would tolerate an overshoot with a reference to its target being "symmetric". Meanwhile, the ADP private-sector payroll data for April showed the US economy added 204,000 jobs, beating expectations.

NZ shares up as Gentrack hits record, Mercury, Contact, Fletcher gain

New Zealand shares gained, with Gentrack Group hitting a record and electricity companies Mercury New Zealand and Contact Energy gaining.

A2 Milk led the index higher, up 3.5 percent to \$12.54, with Spark New Zealand rising 2.3 percent to \$3.53 and Kathmandu Holdings up 1.9 percent to \$2.66.

Mercury New Zealand rose 1.4 percent to \$3.23. The electricity generator and retailer will spend as much as \$50 million buying back some of its shares, enabling it to return capital to shareholders and rebalance its capital structure. Yesterday, Meridian, Genesis and Contact rose on news that Meridian has signed a contract with New Zealand Aluminium Smelters to agree the price of electricity for an additional 50 MWh per hour (438 gigawatt hours per year) at Tiwai Point in Southland.

Fletcher Building rose 0.7 percent to \$6.24. The company completed the institutional component of its \$750 million capital raise earlier this month, generating gross proceeds of \$515 million, and the retail component of Fletcher's capital raise opened on April 23 and closes on May 11.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,246.792	62.752	▲	0.68%
S&P/NZX 50 Index	8,494.239	58.269	▲	0.69%
S&P/NZX MidCap Index	24,395.257	106.657	▲	0.44%
S&P/NZX SmallCap Index	59,481.927	271.527	▲	0.46%
S&P/NZAX All Index	499.711	0.001	▲	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,136.70	36.70	▲	0.60%
S&P/ASX 200	6,050.20	35.00	▲	0.58%
ASX Small Ordinaries	2,768.70	27.40	▲	1.00%
S&P/ASX MIDCAP 50	6,849.70	54.40	▲	0.80%
S&P/ASX 20	3,329.40	12.00	▲	0.36%
Foreign Markets Index				
	Last	Change		
S&P 500	2,635.67	19.13	▼	0.72%
Dow Jones	23,924.98	174.07	▼	0.72%
NASDAQ Composite	7,100.90	29.81	▼	0.42%
FTSE 100	7,543.20	22.84	▲	0.30%
ASX All Ordinaries	6,136.70	36.70	▲	0.60%
NIKKEI 225	22,472.78	35.25	▼	0.16%
HANG SENG INDEX	30,723.88	84.57	▼	0.27%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9335	0.0014	▼	0.15%
USD	0.6991	0.0012	▼	0.17%
CNY	4.4460	0.0100	▲	0.23%
EUR	0.5852	0.0013	▲	0.22%
CAD	0.9004	0.0006	▲	0.07%
GBP	0.5152	0.0008	▲	0.16%
JPY	76.8405	0.0935	▼	0.12%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.74			
10-year Swap	3.22			
Commodities Futures				
	Last	Change		
Gold	1,305.60	1.20	▼	0.09%
Silver	16.40	0.27	▲	1.69%
Crude Oil	67.72	0.47	▲	0.70%

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