



MORNING REPORT

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Top News

NZD weaker against US but rangebound against Aussie ahead of RBA

The New Zealand dollar eased against the greenback but stuck to a tight range against the Australian dollar ahead of the Reserve Bank of Australia cash rate decision due this afternoon.

The US dollar continued to gain some ground as investors took heart after strong US jobs numbers late last week and as "sentiment has been soothed by the cordial tone to last week's trade dialogue between the US and China, although there has been little in the way of news on this front," said ANZ Bank foreign exchange rates strategist Sandeep Parekh.

Investors will also be digesting the 76 recommendations from Australia's royal commission on banking, with the Australian federal government pledging to "take action" on all of them.

NZ shares fall as investors eye Australian banking report

New Zealand shares fell in relatively quiet trading, with investors keeping one eye across the Tasman for the findings of a royal commission into the banking sector and waiting for the domestic earnings season to start next week.

Trading was muted ahead of the final report by Australia's Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The investigation uncovered all manner of misdeeds in the sector and has been a millstone for ASX financial stocks for the past year at a time when a slowing Australian property market was stirring unease. The S&P/ASX 200 index was up 0.4 percent in afternoon trading.

On the NZX today, dual-listed Australia & New Zealand Banking Group increased 0.6 percent to \$26.30, Westpac Banking Corp gained 1.1 percent to \$26.05, and AMP fell 3.4 percent to \$2.30. Heartland Group, which recently carved out its Australian reverse mortgage division from under its licensed banking unit to avoid New Zealand prudential banking requirements, fell 0.7 percent to \$1.36.

Fletcher Building decreased 0.6 percent to \$4.93 on less than half its average three-monthly volume. ASX-listed building materials firm Boral issued a profit warning over extreme rainfall on Australia's east coast and delays to major government infrastructure projects. Fletcher last year noted a slowdown in Australian residential work when it downgraded its earnings outlook.

Air New Zealand marked the biggest gain on the day, up 2.1 percent at \$2.73 on a volume of 1 million. The national carrier dropped to a three-month low last week after downgrading its annual earnings outlook. It reports its first-half result at the end of the month.

Contact Energy is the first major NZX-listed company to report when it announces earnings next week. It decreased 0.2 percent to \$6.03.

Utilities software developer Gentrack Group posted the biggest decline for the day, down 2.7 percent at \$5. Synlait Milk dropped 2 percent to \$9, both on light volumes.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,747.70	22.39	▼ 0.23%
S&P/NZX 50 Index	8,979.41	19.76	▼ 0.22%
S&P/NZX MidCap Index	26,314.71	25.88	▼ 0.10%
S&P/NZX SmallCap Index	57,582.55	78.17	▼ 0.14%
S&P/NZAX All Index	539.05	3.96	▼ 0.73%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,963.00	27.70	▲ 0.47%
S&P/ASX 200	5,891.20	28.40	▲ 0.48%
ASX Small Ordinaries	2,603.30	15.20	▲ 0.59%
S&P/ASX MIDCAP 50	6,420.60	22.30	▲ 0.35%
S&P/ASX 20	3,279.70	15.60	▲ 0.48%

Foreign Markets Index			
	Last	Change	
S&P 500	2,717.71	11.18	▲ 0.41%
Dow Jones Industrial Average	25,160.90	97.01	▲ 0.39%
NASDAQ Composite	7,332.41	68.54	▲ 0.94%
DAX PERFORMANCE-INDEX	11,176.58	4.08	▼ 0.04%
ASX All Ordinaries	5,963.00	27.70	▲ 0.47%
NIKKEI 225	20,883.77	95.38	▲ 0.46%
HANG SENG INDEX	27,990.21	59.47	▲ 0.21%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9530	0.0013	▲ 0.14%
USD	0.6885	0.0013	▼ 0.19%
CNY	4.6420	0.0110	▼ 0.24%
EUR	0.6021	0.0001	▼ 0.02%
CAD	0.9035	0.0002	▲ 0.02%
GBP	0.5278	0.0002	▲ 0.04%
JPY	75.6660	0.1310	▲ 0.17%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.11	
10-year Swap	2.52	

Commodities Futures			
	Last	Change	
Gold	1,318.20	3.90	▼ 0.29%
Silver	15.88	0.05	▼ 0.32%
Crude Oil	54.77	0.49	▼ 0.89%

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