



MORNING REPORT

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Top News

NZ dollar rises as Fed minutes cite trade-war concerns, jobs report undershoots

The New Zealand dollar rose to its highest level in more than a week against the greenback after minutes from the latest Federal Reserve policy meeting showed policymakers are upbeat about the US economy but concerned about the potential impact of a trade war.

Minutes of the Federal Open Market Committee meeting show Fed policymakers discussed the "uncertainty and risks associated with trade policy had intensified and were concerned that such uncertainty and risks eventually could have negative effects," although they remained upbeat about the world's biggest economy in line with their expectations.

Meanwhile, the ADP National Employment Report showed private employers hired 177,000 workers in June, less than expectations for a 190,000 gain. The ADP data comes ahead on non-farm payroll on Friday in the US which may show wage pressures are sufficient to warrant further rate hikes.

With no economic data scheduled in New Zealand today, traders will take their leads from offshore events. The US economy probably added 195,000 jobs in June, down from 223,000 the previous month, economists say. Average hourly earnings probably rose 2.8 percent from a year earlier.

NZ shares up, Auckland Airport and Westpac gain while Heartland, Fletcher dip

New Zealand shares rose in light trading, led higher by Auckland International Airport and Westpac Banking Corp, with Heartland Bank and Fletcher Building softening.

Auckland Airport led the index higher, up 2.4 percent to \$6.93. Westpac gained 2.1 percent to \$32.30, Australia and New Zealand Banking Group rose 2 percent to \$31.36, and Trustpower rallied 1.8 percent to \$5.75.

A2 Milk Co gained 1.3 percent to \$11.55. Its new managing director and chief executive Jayne Hrdlicka will start on July 16, replacing Geoff Babidge who had been in the role since 2010.

The worst performer was Heartland Bank, down 2.3 percent to \$1.71. Fletcher Building dropped 2.1 percent to \$6.85 and Skellerup Holdings fell 1 percent to \$1.96.

Ebos Group dipped 0.5 percent to \$20.70. The share price has surged from \$17.95 since Monday, when it announced a distribution deal with Australia's Chemist Warehouse which could bring in A\$1 billion of revenue in the first year. The two expect to sign a five-year supply agreement, starting July 2019, which could potentially be extended by three years, after Ebos won the tender to be the exclusive third-party distributor of pharmaceutical products to over 400 Chemist Warehouse and My Chemist stores in Australia.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,858.45	34.86	▲	0.35%
S&P/NZX 50 Index	9,062.85	37.21	▲	0.41%
S&P/NZX MidCap Index	25,657.05	43.78	▲	0.17%
S&P/NZX SmallCap Index	62,925.31	116.57	▼	0.18%
S&P/NZAX All Index	527.10	7.30	▲	1.41%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,302.90	29.20	▲	0.47%
S&P/ASX 200	6,215.50	32.10	▲	0.52%
ASX Small Ordinaries	2,827.60	5.00	▼	0.18%
S&P/ASX MIDCAP 50	6,942.30	27.60	▲	0.40%
S&P/ASX 20	3,438.20	19.10	▲	0.56%
Foreign Markets Index				
	Last	Change		
S&P 500	2,736.61	23.39	▲	0.86%
Dow Jones	24,356.74	181.92	▲	0.75%
NASDAQ Composite	7,586.43	83.75	▲	1.12%
FTSE	7,603.22	30.13	▲	0.40%
ASX All Ordinaries	6,302.90	29.20	▲	0.47%
NIKKEI 225	21,546.99	170.05	▼	0.78%
HANG SENG INDEX	28,182.09	59.58	▼	0.21%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9191	0.0032	▲	0.35%
USD	0.6788	0.0025	▲	0.37%
CNY	4.5080	0.0250	▲	0.56%
EUR	0.5807	0.0007	▲	0.12%
CAD	0.8919	0.0031	▲	0.35%
GBP	0.5135	0.0025	▲	0.49%
JPY	75.1045	0.3740	▲	0.50%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.54			
10-year Swap	3.01			
Commodities Futures				
	Last	Change		
Gold	1,257.90	4.40	▲	0.35%
Silver	16.07	0.03	▲	0.17%
Crude Oil	73.17	0.97	▼	1.31%

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