

Top News

NZ dollar rallies on cautious Fed comments, North Korea, modest dairy gain

The New Zealand dollar climbed more than 1% against the greenback after a Federal Reserve governor pointed to weak US inflation, US President Donald Trump flagged military sales to South Korea and Japan, and dairy prices rose modestly in the latest dairy auction.

The US dollar weakened overnight after Fed governor Lael Brainard said inflation was below the central bank's target, suggesting little need to rush to hike interest rates while in the ongoing war of words between the US and North Korea, Trump tweeted that he would allow increased weapon sales to South Korea and Japan.

Meanwhile, Hurricane Irma, which has been upgraded to a category 5 storm, is headed for Florida. US financial markets re-opened after the Labour Day holiday on Monday.

Wall St tumbles, Treasuries rally

Wall Street slid while US Treasuries rallied as investors returned from a long weekend during which geopolitical tensions intensified following North Korea's biggest nuclear test.

The Dow fell, led by declines in shares of United Technologies and those of Goldman Sachs, down 5.3% and 3.7% respectively. Bucking the trend, shares of Wal-Mart and those of Home Depot rose, up 1.7% and 1.4% recently for the largest percentage gains in the Dow.

Investors will closely watch European Central Bank policy makers who gather on Thursday and are set to discuss the future of the central bank's bond-buying program.

NZ shares down on election, North Korea fears; Auckland Airport, Trade Me fall

New Zealand shares fell, dragged lower by election uncertainty and geopolitical fears, with Auckland Airport dropping to an eight-month low and Trade Me Group falling. Auckland International Airport was the worst performer, down 2.1% to \$6.50. Trade Me Group fell 1.9% to \$4.59, while Sky Network Television dropped 0.8% to \$2.59. Sky TV's shares hit 18-year intraday lows yesterday, after reports that global internet giant Amazon is making a play for New Zealand's rugby broadcasting rights.

Spark New Zealand was the best performer, up 1.2% to \$3.915 while Xero rose 1% to \$26.50. NZX gained 0.9% to \$1.16. Trading activity rose in August, once again lifted by a strong rise in activity by smaller investors. Outside the benchmark index, Tower gained 0.6% to 90.5 cents. Vero Insurance's appeal against the Commerce Commission's rejection of its planned takeover of Tower will be heard in January next year.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,423.04	30.59	↓	0.36%
S&P/NZX 50 Index	7,777.40	30.82	↓	0.39%
S&P/NZX Mid Cap Index	22,271.69	60.95	↓	0.27%
S&P/NZX Small Cap	52,437.27	56.40	↑	0.11%
S&P/NZAX All Index	566.03	1.91	↑	0.34%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,767.8	4.0	↑	0.07%
S&P/ASX 200	5,706.2	4.2	↑	0.07%
S&P/ASX SMALL ORD	2,439.0	2.6	↓	0.11%
S&P/ASX MIDCAP 50	6,133.4	10.8	↓	0.18%
S&P/ASX 20	3,206.0	5.2	↑	0.16%

Foreign Markets Index				
	Last		Change	
S&P 500	2,457.85	18.70	↓	0.76%
DJIA	21,753.31	234.25	↓	1.07%
Nasdaq	6,375.57	59.76	↓	0.93%
FTSE 100	7,372.92	38.55	↓	0.52%
ALL ORDINARIES	5,767.80	4.00	↑	0.07%
Nikkei 225	19,385.81	122.44	↓	0.63%
Hang Seng	27,741.35	1.09	↑	0.00%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9050	0.0003	↑	0.03%
USD	0.7234			
CNY	4.7280			
EUR	0.6073			
CAD	0.8953	0.0001	↓	0.01%
GBP	0.5552	0.0001	↑	0.02%
JPY	78.7200	0.0001	↑	0.02%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.96	
5-year Swap	2.62	
10-year Swap	3.12	

Commodities				
	Last		Change	
Spot Gold \$US	1,339.49	0.11	↓	0.01%
Spot Silver \$US	17.87	0.01	↑	0.03%
Oil(WTI)	48.59	1.22	↑	2.58%

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Tel: +64 (9)304 0145

Web: www.equity.co.nz

E-mail: Info@equity.co.nz

Address: Level 7, 12-26 Swanson Street, Auckland, NZ