

### Top News

#### NZ dollar falls on upbeat US jobs report; RBNZ survey may show waning inflation view

The New Zealand dollar fell after US jobs growth topped 200,000 for a second straight month while locally traders are looking ahead to the Reserve Bank's survey of expectations today, which may show views on inflation are waning.

The US dollar index rallied after Labour Department figures showed nonfarm payrolls gains, while average hourly earnings rose a modest 0.3%. US inflation data is released at the end of the week. Also helping the greenback were comments by National Economic Council director Gary Cohn in a Bloomberg interview that the US should cut the corporate tax rate to be in line with other major economies. The RBNZ survey today comes ahead of the monetary policy statement on Thursday, which is expected to project little if any increase in interest rates.

#### World Week Ahead: Eyes on Macy's, Kohl's

The latest corporate earnings including from US retailers Macy's and Kohl's and reports on inflation will draw attention this week. Last week, the Dow Jones Industrial Average rose 1.2%, with the index closing at a record high for the eighth consecutive session on Friday, while the Standard & Poor's 500 Index added 0.2% and sentiment remains upbeat.

Bolstering the mood on Friday was a Labour Department report showing that nonfarm payrolls climbed by 209,000 jobs last month, beating economists' expectations for a gain of about 180,000 and following an upwardly revised increase of 231,000 in June. Separately, a Commerce Department report showed that the US trade deficit shrunk to the lowest level in eight months in June.

The latest US economic data on tap in the coming days include reports on the labour market conditions index and consumer credit, due today; NFIB small business optimism index, and JOLTS, due Tuesday; productivity and costs, and wholesale trade, due Wednesday; weekly jobless claims and producer price index, due Thursday; as well as the consumer price index, due Friday.

#### MARKET CLOSE: NZ shares fall as Kathmandu, Xero give up gains; A2 reaches record

New Zealand shares fell, with Kathmandu Holdings and Xero dropping while A2 Milk Co hit a record high. Kathmandu Holdings dropped 1.8% to \$2.24. Yesterday, the retailer announced full-year profit rose as much as 13% to between \$37.4 million and \$38 million after a successful winter sales season and increased revenue from Australia. Earnings before interest and tax were in a range of \$56 million to \$57 million, from \$50.9 million in the previous year.

Xero gave up some recent gains, down 1.6% to \$27.36, with Fletcher Building also seeing some profit taking, dropping 1.1% to \$7.88. Summerset Group led the index lower, down 2.2% to \$4.87, while Trustpower fell 2.1% to \$5.70. A2 Milk Co was the best performer on the index, up 3.6% to \$4.66, while Synlait Milk gained 0.4% to \$4.57. A2 and Synlait released a statement saying the two are confident with the progress of their application to export a2 Platinum infant formula to China from Jan. 2018.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,400.34	6.02	↓	0.07%
S&P/NZX 50 Index	7,746.11	7.63	↓	0.10%
S&P/NZX Mid Cap Index	22,171.89	19.78	↓	0.09%
S&P/NZX Small Cap	52,928.46	118.90	↑	0.23%
S&P/NZX All Index	580.63	11.40	↑	2.00%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,773.3	13.5	↓	0.23%
S&P/ASX 200	5,720.6	14.5	↓	0.25%
S&P/ASX SMALL ORD	2,378.1	3.6	↓	0.15%
S&P/ASX MIDCAP 50	6,228.4	8.7	↓	0.14%
S&P/ASX 20	3,248.9	16.4	↓	0.50%

Foreign Markets Index				
Index	Last		Change	
S&P 500	2,476.83	4.67	↑	0.19%
DJIA	22,092.81	66.71	↑	0.30%
Nasdaq	6,351.56	11.22	↑	0.18%
FTSE 100	7,511.71	36.94	↑	0.49%
ALL ORDINARIES	5,773.30	13.50	↓	0.23%
Nikkei 225	19,952.33	76.93	↓	0.38%
Hang Seng	27,562.68	31.67	↑	0.12%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9346			
USD	0.7403	0.0001	↑	0.01%
CNY	4.9810			
EUR	0.6288			
CAD	0.9370	0.0014	↓	0.15%
GBP	0.5675	0.0002	↓	0.04%
JPY	81.9550	0.0050	↓	0.01%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.67			
10-year Swap	3.19			

Commodities				
	Last		Change	
Spot Gold \$US	1,258.90	0.61	↑	0.05%
Spot Silver \$US	16.26			
Oil(WTI)	49.58	0.67	↑	1.37%

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