



## MORNING REPORT

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### Top News

#### Kiwi dollar firms on Fed comments, US jobs growth

The New Zealand dollar opened firmer after strong jobs data in the US helped calm rattled equity markets and offered an improved growth outlook for 2019.

The kiwi firmed after December jobs growth in the US proved stronger than expected and after Federal Reserve chair Jerome Powell said the US central bank could be patient when assessing the need for further rate rises during 2019.

US employers hired 312,000 workers last month, the most in 10 months and about 130,000 more than economists had expected. The November data was also revised up to 176,000 from the 155,000 originally reported. Average hourly earnings were also 3.2 percent higher than a year earlier.

That underlying strength, and the flexible approach signalled by Powell, saw the S&P 500 Index rise 3.4 percent, more than recouping its sharp losses the day before. The tech-heavy Nasdaq jumped 4.3 percent.

US and Chinese trade officials are due to meet in Beijing today for their sixth round of talks amid the two nations' three-month truce on tariff hikes. Lawmakers in the UK are due to vote on Prime Minister Theresa May's Brexit deal next week.

#### NZ shares firm as Apple jitters bolster demand for utilities

New Zealand shares rose slightly as growing investor unease over the global economy bolstered demand for defensive stocks such as local utilities Meridian Energy and Mercury NZ.

Stocks across Asia were mixed, following a decline on Wall Street after Apple's downgraded sales outlook over China's slowing economy. Financial markets have been increasingly volatile in recent months as investors remain nervous about a number of political risks ranging from the US-China trade dispute, to Brexit, to the US federal government shutdown.

The trade dispute is seen as a major immediate threat to economic growth and investors are keen to see a resolution to avoid a slowdown hitting company earnings. Chinese and American officials are scheduled to meet next week for more negotiations.

Electricity generator-retailer Meridian led the market higher, up 2.3 percent at a record \$3.50 on average volumes, while Mercury rose 1.7 percent to \$3.57 in light trading. Exporter Fisher & Paykel Healthcare, which is more dependent on the US market, increased 1.9 percent to \$13.19, on just below average volumes.

Spark New Zealand was the most traded stock with 2.4 million shares changing hands, below its 3.1 million 90-day average volume. The stock increased 0.2 percent to \$4.15. Trade Me Group fell 0.5 percent to \$6.29 on a volume of 1.7 million, while A2 Milk dropped 2.3 percent to \$10.75 on a volume of 1.4 million.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,505.57	10.51	▲	0.11%
S&P/NZX 50 Index	8,743.76	11.39	▲	0.13%
S&P/NZX MidCap Index	25,660.43	62.42	▼	0.24%
S&P/NZX SmallCap Index	57,952.65	237.11	▼	0.41%
S&P/NZAX All Index	510.17	0.00	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,677.00	17.60	▼	0.31%
S&P/ASX 200	5,619.40	14.00	▼	0.25%
ASX Small Ordinaries	2,426.40	20.20	▼	0.83%
S&P/ASX MIDCAP 50	6,040.20	69.20	▼	1.13%
S&P/ASX 20	3,172.40	3.40	▼	0.11%
Foreign Markets Index				
	Last	Change		
S&P 500	2,531.94	84.05	▲	3.43%
Dow Jones Industrial Average	23,433.16	746.94	▲	3.29%
NASDAQ Composite	6,738.86	275.35	▲	4.26%
DAX PERFORMANCE-INDEX	10,767.69	351.03	▲	3.37%
ASX All Ordinaries	5,677.00	17.60	▼	0.31%
NIKKEI 225	19,561.96	452.81	▼	2.26%
HANG SENG INDEX	25,626.03	561.67	▲	2.24%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9460	0.0003	▲	0.03%
USD	0.6738	0.0007	▲	0.10%
CNY	4.6220	0.0000		0.00%
EUR	0.5910	0.0003	▲	0.05%
CAD	0.9014	0.0016	▲	0.18%
GBP	0.5295	0.0004	▲	0.08%
JPY	73.2550	0.2300	▲	0.31%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.16			
10-year Swap	2.59			
Commodities Futures				
	Last	Change		
Gold	1,286.20	8.60	▼	0.66%
Silver	15.76	0.04	▼	0.27%
Crude Oil	48.31	1.22	▲	2.59%

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