

Equity Investment Advisers Morning Report

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Top News

Summerset quarterly sales drop 18% from record a year earlier

Summerset Group posted an 18 percent drop in second-quarter sales from a record year-earlier period although the retirement village operator and developer says its building programme is set to deliver more units later in the year.

Wellington-based Summerset sold 152 occupation rights agreements in the three months ended June 30, down from 185 a year earlier, it said in a statement. Of that, new sales dropped 24 percent to 82, the fewest since the first quarter of 2016, while resales slipped 9 percent to 70.

Stocks drop with bonds

Equities followed bonds lower, as a disappointing French government debt auction fuelled concern about the outlook for government bonds on both sides of the Atlantic as central banks signal a bias towards raising interest rates.

Also adding to the mood were minutes from the latest European Central Bank meeting, released on Wednesday, which showed that policy makers discussed "revisiting the easing bias with respect to the APP [asset purchase program] purchases."

German 10-year bunds dropped, pushing yields 9 basis points higher to 0.56 percent, the highest level since January 2016, while yields on their US Treasury counterparts traded as high as 2.39 percent, according to Bloomberg.

The Dow moved lower as slides in shares of General Electric and those of Intel, recently 3.9 percent and 1.8 percent weaker respectively, outweighed gains in shares of Wal-Mart Stores and those of DuPont, recently up 0.6 percent and 0.4 percent respectively.

NZ shares up, Comvita and Contact Energy gain while Arvida, Metro Glass fall

New Zealand shares rose, led by Comvita and Contact Energy, while Arvida and Metro Performance Glass dropped.

The S&P/NZX50 Index gained 33.94 points, or 0.4 percent, to 7,629.61.

Within the index, 24 stocks rose, 14 fell and 12 were unchanged. Turnover was \$120 million.

Comvita was the best performer, rising 2 percent to \$6.08, while Contact Energy gained 1.5 percent to \$5.29 and market darling A2 Milk rose 1.3 percent to \$3.92. Xero gained 1.1 percent to \$25.90. The stock has risen 46.4 percent this year amidst a slew of positive earnings and market updates. It hit a three-year high of \$26.25 in June.

Meridian Energy rose 1 percent to \$2.945. The company's board chose an internal candidate to replace departing chief executive Mark Binns, with general manager of retail Neal Barclay poised to take over the reins of the country's biggest electricity generator at the end of the year. Barclay will take over when Binns departs on Dec. 21. He joined Meridian in 2008 as chief financial officer before switching to GM markets and production 15 months later, a position he held until last year when he took over the retail unit.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,273.86	36.92	↑	0.45%
S&P/NZX 50 Index	7,629.62	33.29	↑	0.44%
S&P/NZX Mid Cap Index	21,529.67	67.20	↑	0.31%
S&P/NZX Small Cap	51,743.89	138.76	↑	0.27%
S&P/NZAX All Index	589.56	0.92	↓	0.16%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,797.5	3.5	↓	0.06%
S&P/ASX 200	5,758.8	4.5	↓	0.08%
S&P/ASX SMALL ORD	2,389.4	5.5	↓	0.23%
S&P/ASX MIDCAP 50	6,253.4	8.2	↓	0.13%
S&P/ASX 20	3,268.7	6.5	↓	0.2%

Foreign Markets Index				
	Last		Change	
S&P 500	2,409.75	22.79	↓	0.94%
DJIA	21,320.04	158.13	↓	0.74%
Nasdaq	6,089.46	61.40	↓	1.00%
FTSE 100	7,337.28	30.32	↓	0.41%
ALL ORDINARIES	5,797.50	3.50	↓	0.06%
Nikkei 225	19,994.06	87.57	↓	0.44%
Hang Seng	25,465.22	56.75	↓	0.22%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9591	0.0001	↓	0.1%
USD	0.7275			
CNY	4.9470	0.0010	↑	0.02%
EUR	0.6369	0.0001	↑	0.02%
CAD	0.9443			
GBP	0.5609			
JPY	82.3705	0.0170	↑	0.02%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	3.33	
5-year Swap	1.98	
10-year Swap	2.84	

Commodities				
	Last		Change	
Spot Gold \$US	1,224.90	0.4	↑	0.03%
Spot Silver \$US	16.01			
Oil(WTI)	45.34	0.29	↑	0.64%

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