

# MORNING REPORT

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Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

## Top News

### NZ dollar rises to week-high on news of talks between North, South Korea

The New Zealand dollar jumped more than half a US cent as global risk appetite improved on news that North Korea is willing to hold talks with the US over its nuclear weapons programme.

Global risk appetite and growth-linked currencies such as the kiwi advanced after South Korean officials said North Korean leader Kim Jong Un was open to talks with the US about ending his nuclear weapons programme and would suspend testing while such negotiations were underway. The officials relayed Kim's offer after a meeting in Pyongyang. The Korean news helped counter concerns in global markets that US President Donald Trump's proposed tariffs on steel and aluminium could spark a trade war.

### Trade tariff and nuclear tensions ease, for now

Wall Street fluctuated as investors tried to gauge whether US President Donald Trump can be talked out of plans to impose stiff tariffs on steel and aluminum imports and avoid a wave of retaliatory measures from trading partners.

Meanwhile, investors welcomed reports of North Korea's willingness to talk to the US about giving up its nuclear weapons as well as what was considered the measured response it drew from Trump.

The Dow rose as gains in shares of Intel and those of Caterpillar, each recently up 2.5 percent, outweighed declines in shares of Walmart and those of UnitedHealth Group, down 1 percent and 0.9 percent respectively recently.

### NZ shares join global rally as trade fears ease; Chorus, Mainfreight rise

New Zealand shares rose as fears eased over US President Donald Trump's new tariffs on metals, renewing demand for equities across the world. Chorus and Mainfreight gained, while Metro Performance Glass fell, matching its record low.

Stocks across Asia rose, following Wall Street's lead, after US House of Representatives Speaker Paul Ryan urged Trump to rethink the planned tariffs on steel and aluminium.

Meanwhile, Trump turned his attention to the North American Free Trade Agreement renegotiations, tweeting any exemptions for Canada and Mexico would rely on a better deal for the US. Australia's S&P/ASX 200 index rose 1.2 percent in afternoon trading, while Japan's Topix was up 1.8 percent and Hong Kong's Hang Seng increased 1.3 percent.

Chorus led the market higher, rising 2.8 percent to \$3.88, extending its rally from a 15-month low set on March 1.

Mainfreight rose 2 percent to \$24.44. Synlait gained 1.4 percent to \$7.50. The milk processor has gained 11 percent since announcing plans for a new plant to be built in Pokeno to meet the growing demand for infant formula.

NZX Index				
Index	Last		Change	

S&P/NZX All Index	9,047.089	52.029	▲	0.58%
S&P/NZX 50 Index	8,327.663	47.833	▲	0.58%
S&P/NZX MidCap Index	23,636.968	141.578	▲	0.60%
S&P/NZX SmallCap Index	57,374.850	333.840	▲	0.59%
S&P/NZAX All Index	558.104	4.644	▲	0.84%

ASX Index				
Index	Last		Change	

ASX All Ordinaries	6,061.50	65.10	▲	1.09%
S&P/ASX 200	5,962.40	67.40	▲	1.14%
ASX Small Ordinaries	2,713.40	28.20	▲	1.05%
S&P/ASX MIDCAP 50	6,804.60	98.90	▲	1.47%
S&P/ASX 20	3,315.20	33.70	▲	1.03%

Foreign Markets Index				
	Last		Change	

S&P 500	2,725.89	4.95	▲	0.18%
Dow Jones	24,875.34	0.58	▲	0.00%
NASDAQ Composite	7,360.35	29.64	▲	0.40%
FTSE 100	7,146.75	30.77	▲	0.43%
ASX All Ordinaries	6,061.50	65.10	▲	1.09%
NIKKEI 225	21,417.76	375.67	▲	1.79%
HANG SENG INDEX	30,510.73	624.34	▲	2.09%

Currencies (per NZ\$ 1.00)				
	Last		Change	

AUD	0.9330	0.0023	▲	0.25%
USD	0.7294	0.0068	▲	0.94%
CNY	4.6030	0.0150	▲	0.33%
EUR	0.5881	0.0023	▲	0.39%
CAD	0.9410	0.0041	▲	0.44%
GBP	0.5252	0.0034	▲	0.65%
JPY	77.4815	0.7415	▲	0.97%

NZ Interest Rates				
	Last		Change	

NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.74			
10-year Swap	3.25			

Commodities Futures				
	Last		Change	

Gold	1,336.10	16.20	▲	1.23%
Silver	16.80	0.38	▲	2.33%
Crude Oil	62.57	0.00	▲	0.00%

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[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
 Tel: +64 (9)304 0145