

MORNING REPORT

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Top News

GE cuts jobs, Lululemon rallies on outlook

Wall Street climbed as optimism about the outlook for corporate profits renewed appetite for tech stocks while shares of Lululemon rallied as it upgraded its full-year earnings outlook. The US dollar and oil prices also gained.

"Looking ahead into 2018, the tailwind of global earnings growth is strong, US corporate tax rates are probably going to be lower, and investors likely will still be in the mood to take on risk," Matthew Litfin, a portfolio manager at Columbia Threadneedle Investments, told Bloomberg.

NZ dollar extends slide, following weaker Aussie; US payrolls awaited

The kiwi was dragged lower by the Aussie after figures showed a smaller-than-expected Australian seasonally adjusted trade surplus of A\$105 million in October, well short of the A\$1.4 billion surplus economists expected. Figures tonight are expected to show the US economy stacked on 195,000 jobs in November, down from 261,000 the previous month, while wage pressures increased and the jobless rate held unchanged at 4.1 percent. Bets on a hike at the Federal Reserve meeting next week are running at almost 100 percent.

NZ shares up, Fletcher and Spark gain while A2, Tegel, Kathmandu drop

A2 Milk Co dropped 1.9 percent to \$7.93. It has settled a court case in Australia with its rival Lion Group. Lion had brought a case against A2 over the science behind health-related claims about the milk, with A2 countering over its milk brand's use of A2 protein claims, seeking an injunction and damages. Both companies have agreed not to pursue their claims and have come to a confidential settlement.

Z Energy dropped 0.8 percent to \$7.62. The day before yesterday, the government said it has asked the Ministry of Business, Innovation and Employment to further investigate fuel prices and is looking to increase the Commerce Commission's market studies powers by the end of next year after getting more information on the fuel market.

Trustpower dipped 0.5 percent to \$5.95. It is eyeing up King Country Energy's retail business as it teams up with King Country Electric Power Trust to buy out the remaining minority shareholders.

The Tauranga-based utility company will form an unincorporated joint venture with the trust, which owns 19.98 percent of King Country Energy, which will then make a takeover offer for the central North Island electricity generator and retailer, it said in a statement. The \$5 a share offer is a premium to the \$4.50 the shares last traded at on the Unlisted exchange before being halted on Dec. 3.

Tegel Group fell 3.3 percent to \$1.18. The shares dropped nearly 13 percent the day before yesterday after it said first-half earnings fell 2.3 percent, missing estimates and stoking concern it hasn't managed to stabilise profitability in a domestic market where competition is restraining prices.

Opus International Consultants was unchanged at \$1.81. It will de-list from the NZX in January, with its shares to be suspended from Dec. 11, after being acquired by Canadian listed consultancy firm WSP Global Inc.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,865.914	41.334	▲	0.47%
S&P/NZX 50 Index	8,172.598	40.268	▲	0.50%
S&P/NZX MidCap Index	24,180.330	35.750	▼	0.15%
S&P/NZX SmallCap Index	55,905.040	100.120	▲	0.18%
S&P/NZAX All Index	563.120	1.800	▼	0.32%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,060.81	30.95	▲	0.51%
S&P/ASX 200	5,977.72	32.02	▲	0.54%
ASX Small Ordinaries	2,671.70	10.53	▲	0.40%
S&P/ASX MIDCAP 50	6,701.32	41.67	▲	0.63%
S&P/ASX 20	3,299.71	17.91	▲	0.55%
Foreign Markets Index				
	Last	Change		
S&P 500	2,635.85	6.58	▲	0.25%
Dow Jones	24,203.07	62.16	▲	0.26%
NASDAQ Composite	6,807.54	31.16	▲	0.46%
FTSE 100	7,320.75	27.28	▼	0.37%
ASX All Ordinaries	6,060.81	30.95	▲	0.51%
NIKKEI 225	22,498.03	320.99	▲	1.45%
HANG SENG INDEX	28,303.19	78.39	▲	0.28%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9092	0.0004	▼	0.04%
USD	0.6824	0.0055	▼	0.80%
CNY	4.5160	0.0330	▼	0.73%
EUR	0.5796	0.0035	▼	0.60%
CAD	0.8777	0.0020	▼	0.23%
GBP	0.5068	0.0068	▼	1.32%
JPY	77.2055	0.0415	▼	0.05%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.60			
10-year Swap	3.08			
Commodities Futures				
	Last	Change		
Gold	1,244.60	18.20	▼	1.44%
Silver	15.71	0.24	▼	1.54%
Crude Oil	56.67	0.71	▲	1.27%

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