



MORNING REPORT

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Top News

NZ dollar little changed as market digests Trump's trade plans, US trade gap reaches 9-year high

The New Zealand dollar was little changed as US President Donald Trump tweeted that he's asked China to reduce its trade imbalance with America and figures showed the US trade deficit at its highest since October 2008.

In a week where Trump's trade ambitions remained in focus, his economic adviser Gary Cohn quit, having opposed the president's plan to impose tariffs on steel and aluminium imports to protect US industry. Overnight Trump tweeted that he'd asked China to cut its trade imbalance with the US by US\$1 billion while figures showed the US January trade deficit was a wider-than-expected US\$56.6 billion and the gap with China jumped 17 percent to US\$36 billion.

Wall St slides as protectionism looms

Wall Street declined, while US Treasuries rose, as concern about a global trade war, sparked by US President Donald Trump's plans to impose tariffs on steel and aluminum imports, intensified.

On Tuesday, the White House announced that Gary Cohn, Trump's top economic adviser and a free-trade advocate, is resigning.

The Dow fell, led by declines in shares of Exxon Mobil and those of Caterpillar, down 3.2 percent and 2.8 percent respectively recently. Shares of IBM and those of Intel were the only stocks in the Dow to gain in early afternoon trading, up 0.7 percent and 0.1 percent respectively.

Shares of Exxon Mobil dropped after the company unveiled a capital spending plan that failed to impress analysts and investors.

NZ shares fall, MetroGlass sinks to record low, F&P Healthcare, Fletcher, A2 slide

New Zealand shares fell as Metro Performance Glass sank to a record low on speculation it may drop out of the S&P/NZX 50 Index. Fisher & Paykel Healthcare, Fletcher Building and a2 Milk were among decliners while Kathmandu and Z Energy rose.

MetroGlass dropped 2.5 percent to 79 cents, a record low close. Like Fletcher and Steel & Tube, MetroGlass has grappled with capacity constraints in the construction industry, which has squeezed margins. In October it announced a strategic review after a series of guidance downgrades and chief executive Nigel Rigby stepped down in December.

Fletcher dropped 1.8 percent to \$6.49 although Ward said chief executive Ross Taylor "has been talking a very credible story" about trying to ringfence losses at the company's B+I unit while completing a strategic review of the whole group. Steel & Tube declined 0.5 percent to \$2.08.

Westpac Banking Corp declined 2 percent to \$31.95 and Australia & New Zealand Banking Group fell 1.9 percent to \$30.13, reflecting the lenders' weaker stock across the Tasman.

NZX Index

Index	Last	Change
S&P/NZX All Index	9,004.217	44.523 ▼ 0.49%
S&P/NZX 50 Index	8,284.339	44.921 ▼ 0.54%
S&P/NZX MidCap Index	23,659.783	11.753 ▲ 0.05%
S&P/NZX SmallCap Index	57,286.334	88.516 ▼ 0.15%
S&P/NZAX All Index	555.209	2.891 ▼ 0.52%

ASX Index

Index	Last	Change
ASX All Ordinaries	6,005.40	56.10 ▼ 0.93%
S&P/ASX 200	5,902.00	60.40 ▼ 1.01%
ASX Small Ordinaries	2,694.50	18.90 ▼ 0.70%
S&P/ASX MIDCAP 50	6,738.40	66.20 ▼ 0.97%
S&P/ASX 20	3,279.70	35.50 ▼ 1.07%

Foreign Markets Index

	Last	Change
S&P 500	2,716.79	11.33 ▼ 0.42%
Dow Jones	24,687.07	197.05 ▼ 0.79%
NASDAQ Composite	7,371.47	0.54 ▼ 0.01%
FTSE 100	7,157.84	11.09 ▲ 0.16%
ASX All Ordinaries	6,005.40	56.10 ▼ 0.93%
NIKKEI 225	21,252.72	165.04 ▼ 0.77%
HANG SENG INDEX	30,196.92	313.81 ▼ 1.03%

Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9319	0.0002 ▼ 0.02%
USD	0.7284	0.0011 ▼ 0.15%
CNY	4.6040	0.0010 ▲ 0.02%
EUR	0.5872	0.0008 ▼ 0.14%
CAD	0.9419	0.0024 ▲ 0.26%
GBP	0.5242	0.0011 ▼ 0.21%
JPY	77.2445	0.1695 ▼ 0.22%

NZ Interest Rates

	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.73	
10-year Swap	3.25	

Commodities Futures

	Last	Change
Gold	1,323.70	11.50 ▼ 0.86%
Silver	16.45	0.33 ▼ 1.99%
Crude Oil	61.22	1.38 ▼ 2.20%

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