

Morning Report

As at 9:00 AM 08 September 2017

Top News

NZ dollar falls vs euro after ECB lifts growth forecast, poll shows Labour lead

The New Zealand dollar fell against the euro after the European Central Bank lifted its forecast for economic growth and didn't signal any alarm about the euro's 15% gain against the greenback this year.

The ECB said it is still waiting for evidence of a revival in inflation and did touch on the euro but only to refer to its volatility rather than its strength while President Mario Draghi said financial conditions in the eurozone were still broadly supportive.

The kiwi fell late yesterday against the euro and the greenback after the latest Colmar Brunton poll showed National down 2 points to 39% and Labour unchanged on 43%, while Labour's Jacinda Ardern leads National's Bill English as preferred prime minister by 34% to 33%.

Disney, GE slide

Wall Street was mixed as slides in Walt Disney and General Electric shares weighed on the Dow.

The Dow fell as declines in shares of Walt Disney and those of General Electric, recently down 4.5% and 3.8% respectively, outweighed gains in shares of Microsoft and those of Visa, recently up 1.6% and 1.3% respectively.

Walt Disney shares fell after CEO Bob Iger offered a disappointing update for the company's fiscal 2017 earnings. General Electric shares dropped as JPMorgan Chase issued a bleak outlook on the stock in a note to clients titled "Preparing for the Fall: It's worse than we think."

NZ shares mixed, Sky TV gains while Air NZ, TradeMe shed dividends

New Zealand shares were mixed, with Sky Network Television continuing yesterday's rebound while Air New Zealand and Trade Me Group declined after giving up dividend rights.

Sky TV was the best performer, up 3% to \$2.79. The stock has dropped 43% this year and is down 12% since its earnings announcement in August, while reports last week that Amazon may bid on the sports rights it currently holds saw the shares fall to 18-year lows before it began to bounce back yesterday.

Air New Zealand fell 2.5% or 9 cents to \$3.51 after giving up rights to an 11 cent dividend, while Summerset Group Holdings fell 2% to \$5.01. Trade Me fell 2%, or 9 cents, to \$4.51.

It gave up rights to a 10 cents per share final dividend today, but has been weaker over the past six weeks, and has declined about 19% since July 25, a day after reports emerged that Amazon had settled on Melbourne as its base for an Australian launch later this year.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,449.56	1.91	↑	0.02%
S&P/NZX 50 Index	7,804.26	3.24	↑	0.04%
S&P/NZX Mid Cap Index	22,354.36	85.13	↓	0.38%
S&P/NZX Small Cap	52,227.81	104.15	↓	0.20%
S&P/NZAX All Index	574.15	6.66	↑	1.17%
ASX Index				
Index	Last	Change		
ALL ORDINARIES	5,753.8	0.9	↑	0.02%
S&P/ASX 200	5,689.9	0.2	↑	0%
S&P/ASX SMALL ORD	2,460.6	6.4	↑	0.26%
S&P/ASX MIDCAP 50	6,130.6	13.4	↑	0.22%
S&P/ASX 20	3,185.7	2.8	↓	0.09%
Foreign Markets Index				
	Last	Change		
S&P 500	2,465.10	0.44	↓	0.02%
DJIA	21,784.78	22.86	↓	0.10%
Nasdaq	6,397.87	4.56	↑	0.07%
FTSE 100	7,396.98	42.85	↑	0.58%
ALL ORDINARIES	5,753.80	0.90	↑	0.02%
Nikkei 225	19,396.52	38.55	↑	0.20%
Hang Seng	27,522.92	90.84	↓	0.33%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.8989	0.0009	↓	0.10%
USD	0.7231	0.0032	↑	0.44%
CNY	4,6880	0.0030	↓	0.06%
EUR	0.6015	0.0025	↓	0.41%
CAD	0.8761	0.0042	↓	0.48%
GBP	0.5519	0.0001	↑	0.02%
JPY	78.4195	0.1960	↓	0.25%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.95			
5-year Swap	2.58			
10-year Swap	3.08			
Commodities				
	Last	Change		
Spot Gold \$US	1,348.48	14.31	↑	1.07%
Spot Silver \$US	18.10	0.23	↑	1.30%
Oil(WTI)	49.03	0.02	↓	0.04%

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Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

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