



MORNING REPORT

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

Top News

NZ dollar falls as greenback gains on hints at tariff 'carve-outs', ECB's inflation view

The New Zealand dollar fell against a broadly stronger US dollar after a White House spokeswoman hinted at exemptions to US tariffs on steel and aluminium imports and after the European Central Bank said inflation in the economic bloc remained subdued.

The US dollar index gained after a White House spokeswoman said countries including Canada and Mexico may be carved out of tariffs that President Donald Trump plans to sign into law this week. The White House said exemptions would be on a case by case basis. Canada was the biggest source of US steel imports last year followed by Brazil, South Korea and Mexico, while China ranked 11th. Meanwhile, the ECB kept its deposit facility rate unchanged at -0.4 percent while removing its easing bias and ECB President Mario Draghi said inflation remained subdued. He also said Trump's tariff plans could spark a trade war.

Wall St awaits Trump tariff announcement

Wall Street was mixed as it awaited an update about US President Donald Trump's plans to impose tariffs on steel and aluminum imports that would prompt a global move towards protectionism.

Trump will sign the formal proclamations on the tariffs at 3.30pm in Washington, the White House said in an emailed statement, Bloomberg reported. US Treasuries advanced, sending the yield on the 10-year note three basis points lower to 2.85 percent.

The Dow moved lower as declines in shares of IBM and those of Chevron, down 1.3 percent and 0.8 percent respectively recently, outweighed gains in shares of Johnson & Johnson and those of Coca-Cola, recently up 1.3 percent and 1.1 percent respectively.

Meanwhile, Shares of Kroger dropped as the US grocery-store chain reported a decline in margins and offered an outlook that disappointed investors amid increased competition in the industry.

NZ shares rise; A2 gains, Restaurant Brands, Tegel fall on earnings

New Zealand shares rose, led by A2 Milk Co, while Restaurant Brands and Tegel dropped after updating their earnings guidance.

A2 Milk led the index higher, up 4.9 percent to \$13.18, while Sanford rose 2 percent to \$7.55 and Spark New Zealand gained 1.6 percent to \$3.45.

The worst performers on the index companies whose stocks went ex-dividend. NZX dropped 2.8 percent, or 3 cents, to \$1.06; it gave up rights to a 3.1 cent final dividend. Port of Tauranga, which shed a 5.7 cent dividend, dropped 2 percent or 10 cents to \$4.95. Air New Zealand fell 0.9 percent or 3 cents to \$3.30 after giving up an 11 cent dividend.

Restaurant Brands dropped 1.1 percent to \$7.12. Revenue rose 49 percent to \$740.8 million in the 2018 financial year, as acquisitions in Hawaii and Australia bolstered earnings.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,082.134	63.884	▲	0.71%
S&P/NZX 50 Index	8,358.703	61.553	▲	0.74%
S&P/NZX MidCap Index	23,744.182	4.428	▼	0.02%
S&P/NZX SmallCap Index	57,524.105	160.065	▲	0.28%
S&P/NZAX All Index	552.433	2.777	▼	0.50%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,046.60	41.20	▲	0.69%
S&P/ASX 200	5,942.90	40.90	▲	0.69%
ASX Small Ordinaries	2,719.90	25.40	▲	0.94%
S&P/ASX MIDCAP 50	6,818.90	80.50	▲	1.19%
S&P/ASX 20	3,296.20	16.50	▲	0.50%
Foreign Markets Index				
	Last	Change		
S&P 500	2,737.09	10.29	▲	0.38%
Dow Jones	24,866.47	65.11	▲	0.26%
NASDAQ Composite	7,426.14	29.49	▲	0.40%
FTSE 100	7,203.24	45.40	▲	0.63%
ASX All Ordinaries	6,046.60	41.20	▲	0.69%
NIKKEI 225	21,368.07	115.35	▲	0.54%
HANG SENG INDEX	30,654.52	457.60	▲	1.52%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9328	0.0016	▲	0.17%
USD	0.7263	0.0024	▼	0.33%
CNY	4.6050	0.0030	▼	0.07%
EUR	0.5902	0.0030	▲	0.51%
CAD	0.9377	0.0030	▼	0.32%
GBP	0.5265	0.0024	▲	0.46%
JPY	77.1580	0.1280	▼	0.17%
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	1,322.60	5.00	▼	0.38%
Silver	16.50	0.01	▲	0.04%
Crude Oil	60.34	0.81	▼	1.32%

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www.equity.co.nz E-mail: Info@equity.co.nz

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