

Morning Report

As at 8:50 AM 10 August 2017

Top News

NZ dollar little changed ahead of OCR review expected to carry 'no hurry' message

The New Zealand dollar was little changed, having fallen this week ahead of the Reserve Bank's monetary policy statement this morning, which is expected to reiterate it sees no hurry to join other central banks in raising interest rates.

Governor Graeme Wheeler, in his last MPS before he retires, is expected to keep the official cash rate unchanged at 1.75% and traders will be more focused on the bank's projections for interest rates, inflation and economic growth. At the May MPS, only one quarter-point rate hike was projected by 2020 and there has been speculation the forecasts today will be just as flat. The kiwi wasn't much hurt by a drop in risk sentiment amid an escalating exchange of threats between North Korea and the US.

NZ shares mixed, SkyCity falls on tepid earnings, Mainfreight and A2 rise

New Zealand shares were mixed, with SkyCity Entertainment Group dropping to a five-month low on mediocre earnings while Mainfreight and A2 Milk Co gained.

SkyCity shares fell 3.7% to \$3.95 after posting its full-year results, with investors predicting analysts will downgrade the stock.

The Auckland-based casino and hotel group today reported a 1.3% increase in normalised net profit to \$154.6 million in the year ended June 30, while normalised revenue dropped 4.9% to \$1.03 billion. It didn't give specific numbers for the current financial year but said it expects group earnings before interest, tax, depreciation and amortisation to "grow modestly" compared to the prior year.

TeamTalk says full-year profit was \$4.7M-\$5.1M, more than twice guidance, on Vodafone deal

Network provider TeamTalk says full-year profit was more than double the guidance it gave in March, largely reflecting the sale of 70% of BayCity Communications to Vodafone New Zealand.

Net profit was between \$4.7 million and \$5.1 million in the 12 months ended June 30, the Wellington-based company said in a statement. That exceeds the \$2 million-to-\$2.4 million guidance it gave on March 1 when it released its first-half results. It posted a \$1.3 million loss in 2016.

In April, TeamTalk shareholders approved a deal where Vodafone would pay \$10 million for a 70% stake in BayCity, which operates the Farmside rural broadband and satellite services, with an option to buy the remaining 30% holding for \$3 million.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,454.75	14.90	↑	0.18%
S&P/NZX 50 Index	7,799.64	16.92	↑	0.22%
S&P/NZX Mid Cap Index	22,389.30	76.49	↑	0.34%
S&P/NZX Small Cap	53,212.66	88.31	↓	0.17%
S&P/NZAX All Index	570.63	0.00	↑	0.00%

ASX Index				
Index	Last	Change		
ALL ORDINARIES	5,816.4	20.7	↑	0.36%
S&P/ASX 200	5,765.7	21.9	↑	0.38%
S&P/ASX SMALL ORD	2,394.6	10.3	↑	0.43%
S&P/ASX MIDCAP 50	6,277.2	33.0	↑	0.53%
S&P/ASX 20	3,281.7	15.2	↑	0.46%

Foreign Markets Index				
	Last	Change		
S&P 500	2,474.02	0.90	↓	0.04%
DJIA	22,048.70	36.64	↓	0.17%
Nasdaq	6,352.33	18.13	↓	0.28%
FTSE 100	7,498.06	44.67	↓	0.59%
ALL ORDINARIES	5,816.40	20.70	↑	0.36%
Nikkei 225	19,738.71	257.30	↓	1.29%
Hang Seng	27,757.09	97.82	↓	0.35%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9303	0.0042	↑	0.45%
USD	0.7337	0.0009	↑	0.12%
CNY	4.8910	0.0210	↓	0.43%
EUR	0.6239	0.0005	↑	0.08%
CAD	0.9317	0.0035	↑	0.38%
GBP	0.5643	0.0003	↑	0.05%
JPY	80.7075	0.1385	↓	0.17%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.95	
5-year Swap	2.63	
10-year Swap	3.15	

Commodities				
	Last	Change		
Spot Gold \$US	1,276.55	15.89	↑	1.26%
Spot Silver \$US	16.91	0.47	↑	2.88%
Oil(WTI)	49.55	0.45	↑	0.92%

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