

MORNING REPORT

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Top News

NZ dollar slips against greenback as US bond yields rise near 10-month high

The New Zealand dollar dipped against the greenback as rising yields on US government bonds stoked demand for the world's reserve currency, after traders were spooked by the Bank of Japan trimming its bond purchases yesterday.

The yield on US 10-year Treasuries rose almost 6 basis points to 2.54 percent, the highest since March last year, as investors cooled on bonds as an upcoming glut of supply coincided with the Bank of Japan surprising markets by reducing its purchases of long-dated Japanese bonds. Billionaire fund manager Bill Gross of Janus Henderson Group said on Twitter that the rise in yield confirmed a bear market for bonds, saying 25-year long-term trendlines had broken in the five- and 10-year notes.

US Treasuries slide on supply, inflation worries

Wall Street rose to record highs amid optimism about corporate earnings, while US Treasuries slid amid concern about pending government debt supply and inflation.

The Dow rose to a record high of 25,414.13, the S&P 500 ascended to a record of 2,757.83, while the Nasdaq climbed to a record of 7,178.11.

US Treasuries dropped, pushing yields on the 10-year note four basis points higher to 2.52 percent, the highest in about 10 months, according to Bloomberg. While equities are running high on optimism, sentiment in the government bond market has cooled.

The Dow rose as gains in shares of Boeing and those of Johnson & Johnson, recently up 2.6 percent and 1.8 percent respectively, outweighed declines in shares of Intel and those of Nike, down 1.5 percent and 1.1 percent recently respectively.

NZ shares up in quiet trading, Ryman and Port of Tauranga gain while Tourism Holdings drops

New Zealand shares rose slightly, led upwards by Ryman Healthcare and Port of Tauranga, with Tourism Holdings falling.

Ryman Healthcare led the index, rising 3.1 percent to \$11.27, with Port of Tauranga up 1.8 percent to \$5.03 and NZX gaining 1.8 percent to \$1.15.

Tourism Holdings was the worst performer, falling 2.4 percent to \$5.81. Fisher & Paykel Healthcare Corp dropped 2.1 percent to \$13.71 and Scales Corp declined 1.7 percent to \$4.78.

Outside the benchmark index, New Zealand Oil & Gas dropped 1.4 percent to 71 cents. OG Oil & Gas's partial takeover of NZOG will be scaled after it passed the 70 percent maximum it wanted in its bid to control the local energy explorer and producer.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,184.341	9.221	▲	0.10%
S&P/NZX 50 Index	8,433.225	6.745	▲	0.08%
S&P/NZX MidCap Index	24,731.978	56.418	▲	0.23%
S&P/NZX SmallCap Index	60,870.887	328.637	▲	0.54%
S&P/NZAX All Index	543.731	4.901	▲	0.91%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,241.50	5.00	▲	0.08%
S&P/ASX 200	6,135.80	5.40	▲	0.09%
ASX Small Ordinaries	2,796.40	9.30	▼	0.33%
S&P/ASX MIDCAP 50	6,878.70	24.90	▼	0.36%
S&P/ASX 20	3,409.80	10.30	▲	0.30%
Foreign Markets Index				
	Last	Change		
S&P 500	2,756.16	8.45	▲	0.31%
Dow Jones	25,413.72	130.72	▲	0.52%
NASDAQ Composite	7,175.72	18.33	▲	0.26%
FTSE 100	7,731.02	34.51	▲	0.45%
ASX All Ordinaries	6,241.50	5.00	▲	0.08%
NIKKEI 225	23,849.99	135.46	▲	0.57%
HANG SENG INDEX	31,011.41	111.88	▲	0.36%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9167	0.0015	▲	0.16%
USD	0.7173	0.0003	▼	0.04%
CNY	4.6840	0.0210	▲	0.45%
EUR	0.6011	0.0015	▲	0.25%
CAD	0.8937	0.0024	▲	0.27%
GBP	0.5300	0.0011	▲	0.21%
JPY	80.7790	0.3690	▼	0.45%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.67			
10-year Swap	3.16			
Commodities Futures				
	Last	Change		
Gold	1,314.70	5.70	▼	0.43%
Silver	17.04	0.10	▼	0.61%
Crude Oil	62.89	1.16	▲	1.88%

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