

Equity Investment Advisers Morning Report

As at 9:01 AM 11 Jul 2017

Top News

NZ dollar little changed as Yellen testimony, US inflation data awaited

The New Zealand dollar was little changed, having traded in a 0.50 US cent range for the past week, as traders await testimony from Federal Reserve chair Janet Yellen and US inflation data to provide fresh impetus to the greenback.

Yellen is scheduled to give testimony to the US Congress on Wednesday and may reiterate that the US central bank sees economic conditions conducive to a third interest rate hike in 2017. The greenback has strengthened against the yen in the past month as divergent central bank policies come into focus, with the Bank of Japan affirming it will continue to provide stimulus to the Japanese economy. Likewise, the Reserve Bank of New Zealand has signalled it doesn't intend to hike rates anytime soon.

Wall St moves higher

Wall Street moved higher with technology stocks as investors awaited Federal Reserve Chair Janet Yellen's semi-annual testimony to Congress and the start of the latest quarterly earnings season.

Yellen will testify before the House Financial Services Committee on Wednesday and before the Senate Banking Committee on Thursday. Her comments will be scrutinised for fresh clues on the timing of the Fed's third rate hike this year as well as the unwinding of its balance sheet.

The Dow moved higher as advances in shares of Visa and those of Nike, recently up 1.3 percent and 1.2 percent respectively, outweighed declines in shares of Wal-Mart Stores and those of Intel, recently 2.4 percent and 0.9 percent weaker respectively. Shares of Abercrombie & Fitch sank, down 21 percent as of 3.14pm in New York, after the company ended takeover talks.

NZ shares fall; Fletcher drops, Air NZ reaches 16-year high

New Zealand shares dropped, led by Fletcher Building and Auckland International Airport down while Air New Zealand reached a 16-year high. Air New Zealand was the best performer, rising 2.2 percent to \$3.485, the highest it has traded since 2001. The stock has gained 55 percent this year, bolstered by improved guidance for full-year 2017 earnings before taxation to exceed \$525 million.

Fletcher Building led the index lower, down 2.4 percent to \$7.81. Solly said the stock was one which people would be focussed on in the upcoming reporting season. It has dropped 25 percent this year. Auckland International Airport declined 2.3 percent to \$6.915, Kiwi Property Group fell 2.1 percent to \$1.385 and Goodman Property Trust dipped 2 percent to \$1.225.

Retirement village operators gained. Summerset advanced 1.5 percent to \$4.76. Metlifecare gained 1.1 percent to \$5.34, and Ryman Healthcare rose 0.9 percent to \$8.65. CBL Corp rose 1.2 percent to \$3.34. The Auckland-based credit surety and financial risk insurer has continued its acquisition spree of recent years with the purchase of a 40 percent stake in Allied Risk Holdings for 1.38 million euros.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,225.49	41.14	↓	0.50%
S&P/NZX 50 Index	7,583.95	38.18	↓	0.50%
S&P/NZX Mid Cap Index	21,419.20	43.68	↓	0.20%
S&P/NZX Small Cap	51,614.65	5.15	↓	0.01%
S&P/NZAX All Index	586.49	0.89	↑	0.15%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,762.9	19.0	↑	0.33%
S&P/ASX 200	5,724.4	20.8	↑	0.36%
S&P/ASX SMALL ORD	2,369.4	4.3	↑	0.18%
S&P/ASX MIDCAP 50	6,226.7	49.5	↑	0.79%
S&P/ASX 20	3,255.6	13.3	↑	0.41%

Foreign Markets Index				
	Last		Change	
S&P 500	2,427.43	2.25	↑	0.09%
DJIA	21,408.52	5.82	↓	0.03%
Nasdaq	6,176.39	23.31	↑	0.38%
FTSE 100	7,370.03	19.11	↑	0.26%
ALL ORDINARIES	5,762.90	19.00	↑	0.33%
Nikkei 225	20,080.98	151.89	↑	0.76%
Hang Seng	25,500.06	159.21	↑	0.63%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9564			
USD	0.7275			
CNY	4.9500			
EUR	0.6382			
CAD	0.9379	0.0001	↑	0.01%
GBP	0.5648			
JPY	82.9655	0.0045	↑	0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.98	
5-year Swap	2.91	
10-year Swap	3.43	

Commodities				
	Last		Change	
Spot Gold \$US	1,214.07	0.03	↓	
Spot Silver \$US	15.64			
Oil(WTI)	44.43	0.20	↑	0.45%

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Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for contribution 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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