

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

Shazam, Wall St rises again

Wall Street moved higher, while the US dollar and Treasuries fell, as Federal Reserve policy makers are expected to be gearing up to raise interest rates for the third time this year.

On Tuesday the Federal Open Market Committee is scheduled to start its two-day meeting, during which it is widely expected to hike interest rates. Investors will scrutinise the FOMC's statement and forecasts, as well as a press conference by Chair Janet Yellen, on Wednesday. Investors will also scrutinise any fresh developments on the Trump administration's tax reform bill.

NZ dollar climbs to two-week high on Orr appointment; Fed, ECB statements loom

The kiwi dollar climbed yesterday on news that NZ Superannuation Fund chief Orr had been named RBNZ governor after a unanimous recommendation from the bank board. Meanwhile, the Federal Reserve is expected to hike US interest rates on Thursday morning NZ time and both the European Central Bank and Bank of England have monetary policy decisions due on Thursday, rounding out a week dominated by central bank activity.

"The market reaction seems to imply that Orr will oversee a somewhat less dovish policy than his predecessor, with the RBNZ's current projections not building in a rate rise until 2019," said Nick Smyth, interest rate strategist at Bank of New Zealand, in a note. "It seems a little early to speculate," he wrote. "The RBNZ will also have a committee deciding the OCR, of which the governor will have only one vote (albeit an important one if he can influence the committee's thinking)."

NZ shares rise, led by Metro Glass, Heartland; A2, Synlait extend slide

Metro Glass led the index, up 5.6 percent to 95 cents. The stock has dropped 53 percent this year after multiple earnings disappointments. Xero dropped 1.9 percent to \$30.30. In November, the cloud-based accounting software firm announced it will delist from the local stock market in favour of an ASX listing to broaden its pool of investors and analysts.

Vital Healthcare Property Trust was flat at \$2.19. It has bought Eden Rehabilitation Hospital in Cooroy in Queensland, Australia, for A\$23.8 million as part of its ongoing diversification strategy.

New Zealand Refining dipped 0.7 percent to 70.5 cents. It says the day before yesterday's outage on the refinery-to-Auckland pipeline was caused by a "false alarm" and that it's back up and running. The pipeline was shut down temporarily yesterday over fears of a leak, which were later discovered to be unfounded, the Whangarei-based company said in a statement.

Augusta Capital was unchanged at \$1.04. It has unconditionally purchased a Wellington industrial property as a seed asset for a new industrial fund that is expected to initially raise between \$50 million and \$70 million of equity when it launches early next year.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,976.370	45.900	▲	0.51%
S&P/NZX 50 Index	8,277.508	42.418	▲	0.52%
S&P/NZX MidCap Index	24,371.459	68.369	▲	0.28%
S&P/NZX SmallCap Index	56,146.057	93.927	▲	0.17%
S&P/NZAX All Index	541.066	18.434	▼	3.29%
ASX Index				
Index	Last		Change	
ASX All Ordinaries	6,081.90	4.50	▲	0.07%
S&P/ASX 200	5,998.30	3.90	▲	0.07%
ASX Small Ordinaries	2,678.60	2.90	▲	0.11%
S&P/ASX MIDCAP 50	6,766.40	29.40	▲	0.44%
S&P/ASX 20	3,312.50	1.50	▲	0.05%
Foreign Markets Index				
	Last		Change	
S&P 500	2,657.03	5.53	▲	0.21%
Dow Jones	24,358.46	29.30	▲	0.12%
NASDAQ Composite	6,868.20	28.11	▲	0.41%
FTSE	7,453.48	59.52	▲	0.80%
ASX All Ordinaries	6,081.90	4.50	▲	0.07%
NIKKEI 225	22,938.73	127.65	▲	0.56%
HANG SENG INDEX	28,965.29	325.44	▲	1.14%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9182	0.0075	▲	0.82%
USD	0.6917	0.0079	▲	1.16%
CNY	4.5780	0.0480	▲	1.06%
EUR	0.5867	0.0055	▲	0.95%
CAD	0.8888	0.0098	▲	1.11%
GBP	0.5183	0.0071	▲	1.39%
JPY	78.5025	0.8775	▲	1.13%
NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.64			
10-year Swap	3.13			
Commodities Futures				
	Last		Change	
Gold	1,243.40	5.00	▼	0.40%
Silver	15.73	0.10	▼	0.62%
Crude Oil	57.93	0.57	▲	0.99%

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

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 Tel: +64 (9)304 0145