



MORNING REPORT

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Top News

NZ dollar climbs above 72 US cts as ECB minutes signal earlier end to stimulus

The New Zealand dollar rose to a fresh three-month high after minutes to last month's European Central Bank policy review signalled an earlier end to its stimulus programme, weighing on the greenback.

The euro climbed 0.8 percent to US\$1.2035 after minutes to the December ECB meeting showed European policymakers were considering how the region's "continued robust and increasingly self-sustaining economic expansion" would affect decisions, and that it could change its guidance for quantitative easing to continue until at least September. The change in tone from Europe's central bank follows a reduction in bond-buying from the Bank of Japan in what's becoming a broader shift away from the extraordinary stimulus injected into the global economy over the past decade.

Highs for Wall St, oil

Wall Street renewed its ascent to record highs while oil touched the highest price in three years amid optimism about the global economic outlook.

Oil rose above US\$70 a barrel in London for the first time in three years.

In the latest US inflation data, a Labour Department showed its producer price index for final demand fell 0.1 percent in December, the first decline since August 2016.

The Dow rose as gains in shares of Chevron and those of Intel, recently up 3.2 percent and 2.2 percent respectively, outweighed declines in shares of American Express and those of Procter & Gamble, down 0.9 percent and 0.4 percent recently respectively.

NZ shares drop 1.4% on foreign selling, A2 Milk and Meridian lead losses

New Zealand shares fell over 1 percent as foreign investors sold back their stakes, with A2 Milk Co and Meridian Energy hit hardest.

Meridian Energy was the second-worst performer on the index, falling 2.7 percent to \$2.90, with Ryman down 2.1 percent to \$10.94 and Fletcher falling 1.3 percent to \$7.61.

A2 Milk Co, the biggest gainer last year as its share price soared on optimism about the Chinese appetite for its baby formula, was the worst performer, down 4.4 percent to \$7.74.

Port of Tauranga was the best performer, up 1.4 percent to \$5.03, while Fonterra Shareholders Fund gained 1.2 percent to \$6.60 and Trustpower rose 1.2 perc

Outside the benchmark index, Warehouse Group dropped 2.4 percent to \$2.06. It expects first-half adjusted earnings from continuing operations to fall 22-to-28 percent as it keeps investing to transform the business. ent to \$5.97.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,991.409	121.131	▼	1.33%
S&P/NZX 50 Index	8,250.435	114.465	▼	1.37%
S&P/NZX MidCap Index	24,390.771	171.459	▼	0.70%
S&P/NZX SmallCap Index	60,278.362	375.148	▼	0.62%
S&P/NZAX All Index	537.878	2.062	▼	0.38%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,176.20	29.70	▼	0.48%
S&P/ASX 200	6,067.60	29.10	▼	0.48%
ASX Small Ordinaries	2,755.90	28.00	▼	1.01%
S&P/ASX MIDCAP 50	6,767.00	46.30	▼	0.68%
S&P/ASX 20	3,384.70	11.10	▼	0.33%
Foreign Markets Index				
	Last	Change		
S&P 500	2,762.53	14.30	▲	0.52%
Dow Jones	#N/A	#N/A	#N/A	#N/A
NASDAQ Composite	7,198.94	45.37	▲	0.63%
FTSE 100	#N/A	#N/A	#N/A	#N/A
ASX All Ordinaries	6,176.20	29.70	▼	0.48%
NIKKEI 225	23,710.43	77.77	▼	0.33%
HANG SENG INDEX	31,120.39	46.67	▲	0.15%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9194	0.0014	▲	0.15%
USD	0.7256	0.0057	▲	0.79%
CNY	4.7130	0.0290	▲	0.62%
EUR	0.6026	0.0001	▲	0.02%
CAD	0.9087	0.0056	▲	0.62%
GBP	0.5362	0.0032	▲	0.60%
JPY	80.5960	0.3865	▲	0.48%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.72			
10-year Swap	3.21			
Commodities Futures				
	Last	Change		
Gold	1,324.20	4.90	▲	0.37%
Silver	17.01	0.02	▼	0.12%
Crude Oil	63.80	0.23	▲	0.36%

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