

MORNING REPORT

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Top News

NZ dollar holds gains as muted US wage growth weighs on Fed rate outlook

The New Zealand dollar held its gains as weaker-than-expected US wage growth weighed on the outlook for US interest rates, while domestic economic data and trade uncertainty remain the focus for local investors.

The US dollar index edged lower after figures showed US average hourly earnings rose at a slower annual pace than anticipated of 2.6 percent, while at the same time the world's biggest economy added 313,000 jobs last month, a bigger increase than projected. Low wage inflation is seen as reducing the need for the Federal Reserve to hike interest rates aggressively, supporting demand for risk-sensitive assets.

US inflation, retail sales in focus

Investors will eye the latest data on US inflation and retail sales to gauge the outlook for the pace of Federal Reserve interest rate increases, while investors will also scrutinise any further developments on global trade and tariffs.

Solid US jobs data, with stronger-than-expected payrolls and muted wage growth, buoyed Wall Street on Friday as it eased concern the Fed might have to hike interest rates more than planned.

On Friday, the Dow Jones Industrial Average gained 1.8 percent, the Standard & Poor's 500 Index rose 1.7 percent and the Nasdaq Composite Index added 1.8 percent.

That bolstered gains for the week, dominated by US President Donald Trump's move to impose hefty tariffs on steel and aluminium imports as well as unexpectedly agreeing to meet North Korea's leader Kim Jong Un for talks.

South Korea, which helped facilitate the talks, asked for an exemption to Trump's planned steel tariffs, the finance ministry said in a statement Sunday, Bloomberg reported.

NZ shares rise; Metro Glass rebounds ahead of index exit, Comvita falls

New Zealand shares rose, led higher by a rebounding Metro Performance Glass. Spark New Zealand gained while Comvita fell.

The NZX 50 March quarter rebalancing was released after the close of trading today and will take effect next Friday. Metro Performance Glass was removed from the benchmark index, replaced by Gentrack Group.

Metro Glass was the best performer on the index, up 3.9 percent to 80 cents, having sold off earlier this week on concern it would drop out of the NZX 50 because of its shrinking market capitalisation. The stock fell 7.2 percent over the week before bouncing today. Gentrack Group, which will replace Metro Glass next week, rose 1.4 percent to \$6.39.

Comvita was the worst performer, down 2.9 percent, while Scales Corp fell 1.8 percent to \$4.50 and Fisher & Paykel Healthcare dropping 1.7 percent to \$12.98.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,119.887	36.107	▲	0.40%
S&P/NZX 50 Index	8,390.006	29.976	▲	0.36%
S&P/NZX MidCap Index	23,867.074	113.664	▲	0.48%
S&P/NZX SmallCap Index	58,028.236	476.886	▲	0.83%
S&P/NZAX All Index	557.360	4.930	▲	0.89%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,069.10	22.50	▲	0.37%
S&P/ASX 200	5,963.20	20.30	▲	0.34%
ASX Small Ordinaries	2,723.30	3.40	▲	0.13%
S&P/ASX MIDCAP 50	6,866.80	47.90	▲	0.70%
S&P/ASX 20	3,303.90	7.70	▲	0.23%
Foreign Markets Index				
	Last	Change		
S&P 500	2,786.57	47.60	▲	1.74%
Dow Jones	25,335.74	440.53	▲	1.77%
NASDAQ Composite	7,560.81	132.86	▲	1.79%
FTSE	7,224.51	21.27	▲	0.30%
ASX All Ordinaries	6,069.10	22.50	▲	0.37%
NIKKEI 225	21,469.20	101.13	▲	0.47%
HANG SENG INDEX	30,996.21	341.69	▲	1.11%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9288	0.0005	▲	0.05%
USD	0.7293	0.0010	▲	0.14%
CNY	4.6110			
EUR	0.5922	0.0002	▲	0.03%
CAD	0.9348	0.0014	▲	0.15%
GBP	0.5263	0.0002	▲	0.04%
JPY	77.7450	0.0700	▼	0.09%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.73			
10-year Swap	3.23			
Commodities Futures				
	Last	Change		
Gold	1,324.00	2.30	▲	0.17%
Silver	16.60	0.10	▲	0.64%
Crude Oil	62.12	2.00	▲	3.33%

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