

MORNING REPORT

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Top News

Wall St rallies as Fed gathers

Wall Street gained, sending the Dow and the S&P 500 to record highs, as investors prepared for the Federal Reserve's third interest rate increase this year, widely expected to be announced on Wednesday.

"You're going to see rotation when you go into the end of the year," Paul Nolte, portfolio manager at Kingsview Asset Management in Chicago, told Reuters. "Some of the profits were taken off the table for big winners such as technology and into sectors that have not done as well, such as finance and energy." The Federal Open Market Committee began its two-day meeting, which will be followed by a statement and forecasts, as well as a press conference by Chair Janet Yellen, on Wednesday.

Meanwhile, a Labour Department report showed US producer prices rose 0.4 percent in November from the previous month, more than economists had expected, while PPI climbed 3.1 percent from a year earlier, the biggest gain since January 2012.

NZ dollar little changed, having touched 4-week high overnight, as central banks, HYEFU loom

Traders almost unanimously expect a quarter point hike from the Fed at the end of its two-day meeting tomorrow morning NZ time and will be watching for signals of further increases, which may be underpinned by looming US consumer prices data for November. US producer prices rose more than expected last month and confidence among small businesses reached its highest level in 34 years. With the ECB and BoE also due to make policy statements, monetary policy will be a key theme for financial markets this week.

"It is set to be a busy few days in markets, with some key central bank decisions," said Philip Borkin, senior economist at ANZ Bank New Zealand. "With some key events scheduled over the next day or so, it is likely that the NZD faces a little more volatility than what it has experienced over the past 24 hours. Even so, it does appear to be sitting relatively comfortably right now and is threatening a further squeeze higher."

NZ shares mixed; Xero, retirement stocks slip while Sky TV, F&P Health gain

Retirement village stocks dropped, with Metlifecare the worst performer on the NZX50, down 2.5 percent to \$5.95, while Summerset Group Holdings dropped 1 percent to \$5.15. Ryman Healthcare fell 0.5 percent to \$10.30, having bought land for a new site in Wellington. Real Estate Institute residential housing figures are due today.

Xero was the second-worst performer, dropping 1.7 percent to \$29.80. It's up 73 percent this year but down 11 percent since Nov. 9, when it announced its plans to delist from the NZX in favour of a sole listing on the ASX.

F&P Healthcare rose 0.5 percent to \$13.59. The company has extended its patent fight with ResMed to Australia, seeking damages and injunctions to halt sales of its rival's products that it says infringed four patents.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,980.924	3.954	▲	0.04%
S&P/NZX 50 Index	8,280.809	3.299	▲	0.04%
S&P/NZX MidCap Index	24,335.723	35.737	▼	0.15%
S&P/NZX SmallCap Index	56,223.351	22.581	▲	0.04%
S&P/NZAX All Index	544.286	3.216	▲	0.59%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,093.10	11.20	▲	0.18%
S&P/ASX 200	6,013.20	14.90	▲	0.25%
ASX Small Ordinaries	2,672.20	6.40	▼	0.24%
S&P/ASX MIDCAP 50	6,744.00	22.40	▼	0.33%
S&P/ASX 20	3,327.60	15.10	▲	0.46%
Foreign Markets Index				
	Last	Change		
S&P 500	2,667.37	7.38	▲	0.28%
Dow Jones	24,528.80	142.77	▲	0.59%
NASDAQ Composite	6,868.85	6.23	▼	0.09%
FTSE 100	7,500.41	46.93	▲	0.63%
ASX All Ordinaries	6,093.10	11.20	▲	0.18%
NIKKEI 225	22,866.17	72.56	▼	0.32%
HANG SENG INDEX	28,793.88	171.41	▼	0.59%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9177	0.0004	▼	0.04%
USD	0.6937	0.0027	▲	0.39%
CNY	4.5930	0.0190	▲	0.42%
EUR	0.5910	0.0040	▲	0.68%
CAD	0.8929	0.0046	▲	0.52%
GBP	0.5210	0.0029	▲	0.56%
JPY	78.7820	0.3215	▲	0.41%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.65			
10-year Swap	3.14			
Commodities Futures				
	Last	Change		
Gold	1,241.40	2.30	▼	0.18%
Silver	15.60	0.10	▼	0.65%
Crude Oil	57.20	0.79	▼	1.36%

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