

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

NZ dollar falls as inflation indicators awaited, volatility measure ebbs

The New Zealand dollar fell ahead of inflation data in the UK and US and the Reserve Bank's survey of expectations tomorrow, with little indication there is much pressure on prices worldwide.

Figures tonight may show UK core inflation was 2.6 percent year-on-year in the first quarter, up from 2.5 percent previously, while tomorrow night US data may show core inflation slowed to 1.7 percent from 1.8 percent.

Financial markets are more subdued than last week, with the Chicago Board Options Exchange Volatility Index (VIX) retreating to about 26 from a spike to about 40.90 at the end of last week.

Stocks climb on both sides of Atlantic, oil rebounds

Equities on both sides of the Atlantic advanced, as US Treasury yields stemmed their climb, offering some reprieve from concern about rising interest rates.

The Dow rose, led by gains in shares of Apple and those of American Express, recently up 3.7 percent and 2.9 percent respectively. Shares of General Electric fell, recently down 0.7 percent and the only stock in the Dow to trade weaker.

Investors will closely watch the latest report on the US consumer price index, due Wednesday, to help gauge the potential for an acceleration of Federal Reserve interest rate increases, a key worry that helped spark the recent selloff on equity markets.

The latest corporate earnings added to optimism. Shares of Restaurant Brands International jumped, trading 6.6 percent higher as of 12.24pm in New York, as better-than-expected sales at its Burger King chain bolstered its quarterly profit.

NZ shares down: Kathmandu, Contact drop while Fletcher, CBL remain halted

New Zealand shares dropped, led by Kathmandu Holdings and Fisher & Paykel Healthcare, while NZX gained.

The market was expecting an announcement from Fletcher Building this morning increasing the losses at its building and interiors (B+I) unit. The company was set to come out of the trading halt it was placed in last week at \$7.77, but instead has extended the halt until Wednesday, saying it has yet to complete a review of key projects and has begun talks with lenders about breaching covenants.

CBL Corp also remained in a trading halt at \$3.17. The insurer says it hasn't worked out how much capital it needs to raise to satisfy regulatory solvency concerns. The stock was suspended from trading on the NZX last week as stock market operator NZX tries to work out whether CBL has kept the market informed of material information and met continuous disclosure obligations.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,763.007	33.443	▼	0.38%
S&P/NZX 50 Index	8,059.061	33.309	▼	0.41%
S&P/NZX MidCap Index	23,542.794	43.084	▲	0.18%
S&P/NZX SmallCap Index	56,543.455	11.595	▼	0.02%
S&P/NZAX All Index	554.414	19.814	▲	3.71%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,919.70	17.80	▼	0.30%
S&P/ASX 200	5,820.70	17.30	▼	0.30%
ASX Small Ordinaries	2,615.20	17.50	▼	0.66%
S&P/ASX MIDCAP 50	6,513.60	41.80	▼	0.64%
S&P/ASX 20	3,243.30	8.80	▼	0.27%
Foreign Markets Index				
	Last	Change		
S&P 500	2,662.03	42.48	▲	1.62%
Dow Jones	24,672.39	481.49	▲	1.99%
NASDAQ Composite	6,997.06	122.57	▲	1.78%
FTSE	7,177.06	84.63	▲	1.19%
ASX All Ordinaries	5,919.70	17.80	▼	0.30%
NIKKEI 225	21,382.62	508.24	▼	2.32%
HANG SENG INDEX	29,459.63	47.79	▼	0.16%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9236	0.0034	▼	0.37%
USD	0.7242	0.0002	▼	0.03%
CNY	4.5810	0.0120	▲	0.26%
EUR	0.5897	0.0017	▼	0.29%
CAD	0.9130	0.0002	▲	0.02%
GBP	0.5238	0.0007	▼	0.13%
JPY	78.7805	0.1030	▼	0.13%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.74			
10-year Swap	3.31			
Commodities Futures				
	Last	Change		
Gold	1,326.20	10.50	▲	0.80%
Silver	16.52	0.38	▲	2.36%
Crude Oil	59.31	0.11	▲	0.19%

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

Contact Equity Investment Advisers today.
 Tel: +64 (9)304 0145