



MORNING REPORT

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Top News

NZ dollar gains as inflation comes into focus, greenback falls

The New Zealand dollar gained ahead of food price and inflation expectation reports locally and US inflation data tonight while the greenback weakened against the yen and the Swiss franc.

New Zealand January food prices are due out this morning after a 0.8 percent decline in the previous month which fed into weaker-than-expected fourth-quarter inflation. The Reserve Bank's quarterly survey of expectations today will show whether tepid inflation remains ingrained. Globally, US inflation data for January, out tonight, is the key focus, with the core CPI measure expected to print at 0.2 percent, down from 0.3 percent a month earlier, for a year-on-year rate of 1.7 percent (down from 1.8 percent).

Eyes on US consumer prices, retail sales

Wall Street was mixed as investors eyed reports on US consumer prices and retail sales, both due Wednesday, to help assess bets on the pace of Federal Reserve interest rate increases.

The Dow moved lower as declines in shares of United Technologies and those of General Electric, recently both down 1.4 percent, offset gains in shares of Caterpillar and those of Walmart, recently up 0.9 percent and 0.6 percent respectively.

Bucking the generally lacklustre trend, shares of Under Armour jumped, up 13.2 percent as of 1.26pm in New York, after the athletic-wear company posted quarterly results that surpassed expectations, bolstered by a jump in overseas sales.

Shares of PepsiCo seesawed after the beverage and snack company reported quarterly profit and sales that bettered analysts' expectations as increased appetite for its Frito-Lay products outweighed a drop in demand for its drinks.

NZ shares rise; Vital Health, A2 Milk, Tower gain

New Zealand shares gained, led by Vital Healthcare Property Trust and A2 Milk Co, as investors prepared for a potential selloff of Fletcher Building once it updates its losses within its construction division.

Tomorrow morning, embattled construction company Fletcher Building's shares are set to be lifted from their trading halt at \$7.77. The company will make an announcement increasing the losses at its building and interiors (B+I) unit.

The company was set to come out of the trading halt yesterday but said it had yet to complete a review of key projects and has begun talks with lenders about breaching its banking covenants. Fletcher has said that before the halt is lifted, it will give the market an update of its review and the status of its discussions with its lenders.

NZX was the worst performer, down 0.9 percent to \$1.12. Kiwi Property Group fell 0.8 percent to \$1.315 and Tourism Holdings dropped 0.7 percent to \$5.54.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,832.983	69.973	▲	0.80%
S&P/NZX 50 Index	8,122.222	63.162	▲	0.78%
S&P/NZX MidCap Index	23,643.985	101.195	▲	0.43%
S&P/NZX SmallCap Index	57,065.911	522.451	▲	0.92%
S&P/NZAX All Index	547.731	6.679	▼	1.20%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,957.00	37.30	▲	0.63%
S&P/ASX 200	5,855.90	35.20	▲	0.60%
ASX Small Ordinaries	2,648.70	33.50	▲	1.28%
S&P/ASX MIDCAP 50	6,551.90	38.30	▲	0.59%
S&P/ASX 20	3,258.70	15.40	▲	0.47%
Foreign Markets Index				
	Last	Change		
S&P 500	2,665.28	9.28	▲	0.35%
Dow Jones	24,665.99	64.72	▲	0.26%
NASDAQ Composite	7,016.04	34.07	▲	0.49%
FTSE	7,168.01	9.05	▼	0.13%
ASX All Ordinaries	5,957.00	37.30	▲	0.63%
NIKKEI 225	21,244.68	137.94	▼	0.65%
HANG SENG INDEX	29,839.53	379.90	▲	1.29%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9268	0.0028	▲	0.30%
USD	0.7280	0.0014	▲	0.19%
CNY	4.6160	0.0210	▲	0.46%
EUR	0.5894	0.0017	▼	0.29%
CAD	0.9174	0.0034	▲	0.37%
GBP	0.5246	0.0004	▼	0.08%
JPY	78.4270	0.5125	▼	0.65%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.73			
10-year Swap	3.29			
Commodities Futures				
	Last	Change		
Gold	1,329.90	3.50	▲	0.26%
Silver	16.52	0.05	▼	0.30%
Crude Oil	59.16	0.13	▼	0.22%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

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