

MORNING REPORT

As at 9:03 AM 15-12-17

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 gains vs euro as Draghi reiterates stimulus pledge while seeing more growth

The New Zealand dollar rose against the euro after European Central Bank president Mario Draghi reiterated his commitment to providing monetary stimulus in the eurozone, even while the bank lifted its growth and inflation forecasts.

The ECB says it expects economic growth will quicken to 2.3 percent in 2018, up from its September forecast of 1.8 percent, before slowing to 1.9 percent in 2019 (also an uplift) and 1.7 percent in 2020. Inflation is seen at 1.4 percent next year, up from the September estimate of 1.4 percent and reaching 1.7 percent in 2020, below its target of 2 percent. But it cut its core inflation forecast for 2018 and Draghi said at a media conference that an "ample degree" of stimulus was still needed and domestic price pressures "remain muted overall".

Walt Disney, Fox shares climb

The Dow gained as advances in shares of Walt Disney and those of Nike, recently up 2.5 percent and 0.8 percent respectively, outweighed declines in shares of Caterpillar and those of Johnson & Johnson, recently down 1.7 percent and 0.8 percent respectively.

Shares of Walt Disney rose after the company agreed to buy most of Rupert Murdoch's Twenty-First Century Fox for US\$52.4 billion. Before the acquisition, 21st Century Fox will separate the Fox Broadcasting network and stations, Fox News Channel, Fox Business Network, FS1, FS2 and Big Ten Network into a newly listed company that will be spun off to its shareholders, the companies said in a statement. Fox shares climbed 4.6 percent. Earlier in the day, the Dow climbed to a record 24,672.48.

NZ shares up, Scales and A2 rise while Sky TV falls

New Zealand shares gained, led by Scales Corp and A2 Milk Co, while Sky Network Television dropped again.

Scales Corp led the index, up 4.1 percent to \$4.53. Last week, the company said it expects full-year earnings to be at the upper end of guidance on the performance of its horticulture division and new acquisitions, and earnings will rise in 2018.

A2 Milk Co rose 2.2 percent to \$7.94. Managing director Geoff Babidge will retire next year and will be replaced by Jetstar chief Jayne Hrdlicka. Babidge has been in the role since 2010, and in the past two years A2's share price has jumped from around \$1 at the end of 2015 to a recent record of \$8.75. The shares have soared on the back of successive strong sales, with the company's infant formula attracting strong demand in China.

Restaurant Brands New Zealand gained 1 percent to \$7. It said third-quarter sales jumped 45 percent, driven by the contribution from Taco Bell and Pizza Hut outlets acquired in Hawaii, Guam and Saipan in March and from additional KFC stores in Australia.

NZX Index				
Index	Last	Change		

S&P/NZX All Index	9,027.260	41.450	▲	0.46%
S&P/NZX 50 Index	8,323.753	39.173	▲	0.47%
S&P/NZX MidCap Index	24,448.737	130.637	▲	0.54%
S&P/NZX SmallCap Index	56,524.739	230.089	▲	0.41%
S&P/NZAX All Index	548.243	0.767	▼	0.14%

ASX Index				
Index	Last	Change		

ASX All Ordinaries	6,096.40	6.70	▼	0.11%
S&P/ASX 200	6,011.30	10.50	▼	0.17%
ASX Small Ordinaries	2,690.20	12.50	▲	0.47%
S&P/ASX MIDCAP 50	6,726.80	1.60	▼	0.02%
S&P/ASX 20	3,329.80	8.00	▼	0.24%

Foreign Markets Index				
	Last	Change		

S&P 500	2,655.41	7.44	▼	0.28%
Dow Jones	24,538.75	46.68	▼	0.19%
NASDAQ Composite	6,862.78	13.01	▼	0.19%
FTSE 100	7,448.12	48.39	▼	0.65%
ASX All Ordinaries	6,096.40	6.70	▼	0.11%
NIKKEI 225	22,694.45	63.62	▼	0.28%
HANG SENG INDEX	29,166.38	55.72	▼	0.19%

Currencies (per NZ\$ 1.00)				
	Last	Change		

AUD	0.9115	0.0083	▼	0.90%
USD	0.6995	0.0030	▼	0.43%
CNY	4.6240	0.0210	▼	0.45%
EUR	0.5932	0.0006	▼	0.10%
CAD	0.8917	0.0086	▼	0.96%
GBP	0.5203	0.0034	▼	0.65%
JPY	78.4780	0.5750	▼	0.73%

NZ Interest Rates				
	Last	Change		

NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.63			
10-year Swap	3.10			

Commodities Futures				
	Last	Change		

Gold	1,254.40	9.00	▲	0.72%
Silver	15.91	0.05	▲	0.29%
Crude Oil	57.05	0.45	▲	0.80%

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.

Do you need to make any changes to your portfolio?
www.equity.co.nz E-mail: Info@equity.co.nz

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