



MORNING REPORT

As at 9:00 AM 15-01-18

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 holds near 72.50 US cts as Germany's Merkel moves closer to forming govt

The New Zealand dollar was little changed around 72.50 US cents as German chancellor Angela Merkel moved a step closer to forming a coalition government, boosting demand for the euro.

The euro gained after Merkel's Christian Democrats and former coalition partner Social Democrats agreed to formal negotiations on Friday after reaching a series of compromises over a variety of issues. Germany has been operating under a caretaker government since the September election threw up an uncertain outcome. Meanwhile, the greenback remained out of favour with the Dollar Index falling 1 percent despite higher-than-expected December core US inflation and robust retail sales. US markets are closed for the Martin Luther King Jr holiday today.

Goldman, Bank of America results up next

Investors will be looking for the latest US corporate earnings including from Goldman Sachs and Bank of America to confirm the continuing rise in stock valuations and check chatter of the need for a correction.

Other companies set to report their latest results this week include Citigroup, Morgan Stanley, IBM and American Express.

The three benchmarks each closed at record highs, bolstered by better-than-expected results from JPMorgan Chase, which indicated the US tax overhaul will boost corporate profits by several billions of dollars in 2018; its effective corporate tax rate will drop to 19 percent this year from 32 percent in 2017. For the week, the Dow rallied 2 percent, the S&P 500 climbed 1.6 percent, while the Nasdaq added 1.7 percent.

On Friday, the latest US consumer price data increased bets that the Fed will proceed with plans to lift rates higher, with futures pointing to a March hike. The Fed has signalled three potential increases this year. The Bank of Canada is widely expected to be the first major global central bank to lift rates this year, a decision expected after it meets on Wednesday.

NZ SHARES DOWN, F&P HEALTH AND PUSHPAY DROP IN LIGHT TRADING

New Zealand shares dipped, led lower by Fisher & Paykel Healthcare and Pushpay Holdings, albeit in light volume as market participants return slowly.

Fisher & Paykel Healthcare led the index lower, down 1.5 percent to \$13.05. The stock has had a relatively sharp pullback since the end of last year, when it closed at \$14.35, Solly said.

Pushpay Holdings dropped 1.4 percent to \$4.13, Meridian Energy fell 1 percent to \$2.87, and Auckland International Airport declined 0.9 percent to \$6.35. The best performer was Genesis Energy, up 2.9 percent to \$2.46, with Freightways gaining 1.8 percent to \$7.79 and Port of Tauranga rising 1 percent to \$5.08.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,984.101	7.309	▼	0.08%
S&P/NZX 50 Index	8,242.346	8.094	▼	0.10%
S&P/NZX MidCap Index	24,480.205	89.435	▲	0.37%
S&P/NZX SmallCap Index	60,260.389	17.971	▼	0.03%
S&P/NZAX All Index	541.553	3.673	▲	0.68%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,176.80	0.60	▲	0.01%
S&P/ASX 200	6,070.10	2.50	▲	0.04%
ASX Small Ordinaries	2,760.10	4.20	▲	0.15%
S&P/ASX MIDCAP 50	6,752.90	14.10	▼	0.21%
S&P/ASX 20	3,386.60	1.90	▲	0.06%
Foreign Markets Index				
	Last	Change		
S&P 500	2,786.24	18.68	▲	0.67%
Dow Jones	25,803.19	228.46	▲	0.89%
NASDAQ Composite	7,261.06	49.28	▲	0.68%
FTSE 100	7,778.64	15.70	▲	0.20%
ASX All Ordinaries	6,176.80	0.60	▲	0.01%
NIKKEI 225	23,653.82	56.61	▼	0.24%
HANG SENG INDEX	31,412.54	292.15	▲	0.94%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9171	0.0025	▲	0.27%
USD	0.7256			
CNY	4.6820			
EUR	0.5945	0.0006	▲	0.10%
CAD	0.9042	0.0010	▲	0.11%
GBP	0.5285	0.0006	▲	0.11%
JPY	80.4350			
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.71			
10-year Swap	3.20			
Commodities Futures				
	Last	Change		
Gold	1,338.30	15.80	▲	1.19%
Silver	17.25	0.28	▲	1.64%
Crude Oil	64.40	0.60	▲	0.94%

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