

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 little changed before GDP data that may show stronger growth

The New Zealand dollar was little changed, holding above 73 US cents ahead of figures that may show the economy accelerated in the fourth quarter, a contrast to the most recent US data which showed weaker retail sales.

New Zealand gross domestic product probably grew 0.8 percent in the fourth quarter, up from 0.6 percent three months earlier, while year-on-year growth sped to 3.1 percent from 2.7 percent based on the consensus of economists. The figures may keep intact expectations that the Reserve Bank is on a gradual path to increasing interest rates.

US Treasuries gain, Wall St mixed

US Treasuries gained while Wall Street was mixed amid concern about rising odds of a global trade war prompted by US President Donald Trump's moves towards protectionism.

Trump is seeking to impose tariffs on up to US\$60 billion of Chinese imports and will target the technology and telecommunications sectors, two people who had discussed the issue with the Trump administration said on Tuesday, Reuters reported.

Trump has also offered Lawrence Kudlow the job as director of the National Economic Council and he accepted, making the economic commentator one of the president's top economic advisers, Kudlow said in an interview, the Wall Street Journal reported. The appointment could be announced on Thursday, Kudlow said, according to the Journal.

The Dow fell as declines in shares of Boeing and those of DowDuPont, down 2.4 percent and 2.1 percent respectively recently, outweighed gains in shares of Cisco and those of Walt Disney, recently each up 0.3 percent.

NZ shares drop on weak offshore leads, Sky TV and NZ Refining fall on dividends

New Zealand shares fell, on weak offshore leads and local stocks giving up dividend rights, with Sky Network Television, New Zealand Refining Co and Mercury New Zealand declining.

"There has been a bit of a negative lead from offshore, quite a big deal didn't go through with Broadcom and Qualcomm in the US," said Greg Easton, investment adviser at Craigs Investment Partners. US President Donald Trump blocked a planned takeover of chipmaker Qualcomm by Singapore-based rival Broadcom on grounds of national security, with the deal slated to create the world's third-largest microchip maker if it went ahead.

Sky Network Television was the worst performer on the local index, down 5.8 percent, or 13 cents, to \$2.11. It gave up rights to a 7.5 cent interim dividend.

Synlait Milk was the best performer, up 2.3 percent to \$8.08. Heartland Bank rose 1.7 percent to \$1.80 and Z Energy gained 1.2 percent to \$6.95.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,170.431	50.339	▼	0.55%
S&P/NZX 50 Index	8,432.631	50.389	▼	0.59%
S&P/NZX MidCap Index	23,962.026	94.754	▼	0.39%
S&P/NZX SmallCap Index	58,643.614	82.724	▲	0.14%
S&P/NZAX All Index	564.958	0.002	▼	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,042.60	34.50	▼	0.57%
S&P/ASX 200	5,935.30	39.40	▼	0.66%
ASX Small Ordinaries	2,737.30	10.60	▲	0.39%
S&P/ASX MIDCAP 50	6,838.10	45.00	▼	0.65%
S&P/ASX 20	3,289.50	25.60	▼	0.77%
Foreign Markets Index				
	Last	Change		
S&P 500	2,749.09	16.22	▼	0.59%
Dow Jones	24,757.57	249.46	▼	1.00%
NASDAQ Composite	7,493.65	17.36	▼	0.23%
FTSE	7,132.69	6.09	▼	0.09%
ASX All Ordinaries	6,042.60	34.50	▼	0.57%
NIKKEI 225	21,777.29	190.81	▼	0.87%
HANG SENG INDEX	31,435.01	166.44	▼	0.53%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9301	0.0026	▼	0.28%
USD	0.7332	0.0004	▲	0.05%
CNY	4.6330	0.0030	▲	0.06%
EUR	0.5924	0.0011	▲	0.19%
CAD	0.9493	0.0004	▲	0.04%
GBP	0.5248	0.0001	▲	0.02%
JPY	77.8725	0.1355	▼	0.17%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.73			
10-year Swap	3.22			
Commodities Futures				
	Last	Change		
Gold	1,325.40	1.70	▼	0.13%
Silver	16.56	0.07	▼	0.40%
Crude Oil	60.87	0.16	▲	0.26%

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

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