

# MORNING REPORT

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## Top News

### NZ dollar falls vs euro, nearing two-year low, on signs of reviving European growth

The New Zealand dollar fell versus the euro, closing in on the two-year low it reached last month, after stronger-than-expected growth in Germany, the regional bloc's biggest economy, drove up its currency.

The euro gained against the greenback overnight after figures showed the German economy grew a seasonally adjusted 0.8% in the third quarter, beating estimates of a 0.6% gain.

Germany is helping drive the region's growth, with a preliminary estimate of euro zone gross domestic product from Eurostat showing 0.6% quarterly growth and an annual increase of 2.5%.

### GE leads Wall St drop

Wall Street declined, as shares of General Electric sank for a second day and energy stocks slid with oil prices.

A slump in shares of General Electric, down 7.9% recently, led the Dow lower. Bucking the trend were shares of Coca-Cola and those of Home Depot, recently up 1.3% and 1.2% respectively, for the largest percentage advances in the Dow.

General Electric shares retreated for a second day amid concern about the company's turnaround plan, announced on Monday.

Meanwhile, the White House is considering economist Mohamed El-Erian as one of several candidates to potentially serve as the Federal Reserve's vice chairman, the Wall Street Journal reported, citing a person familiar with the matter.

### NZ shares gain as Z and Precinct rise; Tower hits record low

New Zealand shares rose, led higher by Z Energy on lingering optimism over the transport fuels company's outlook and Precinct Properties New Zealand which is tapping the listed debt market. Tower hit a record low.

Z Energy led the index, up 3.5% to \$7.48. Last Thursday, the company reported it had lifted first-half profit 10% as the acquisition of Chevron New Zealand's retail network swelled sales, and expects to pay bigger dividends under a new policy.

Precinct Properties gained 2.3% to \$1.315. The listed commercial property investor is currently raising up to \$100 million from a seven-year bond offer to repay bank debt.

Outside the benchmark index Tower shares fell 7.9% to 70 cents as investors weigh up whether the \$70.8 million of new capital they're being asked to provide will provide enough of a buffer against lingering Canterbury earthquake claims that have repeatedly surprised the insurer.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,680.83	32.53	↑	0.38%
S&P/NZX 50 Index	8,007.99	31.56	↑	0.40%
S&P/NZX Mid Cap Index	23,662.45	2.11	↑	0.01%
S&P/NZX Small Cap	54,954.50	43.27	↓	0.08%
S&P/NZAX All Index	567.22	2.27	↑	0.40%
ASX Index				
Index	Last	Change		
ALL ORDINARIES	6,048.7	48.50	↓	0.80%
S&P/ASX 200	5,968.7	53.10	↓	0.89%
S&P/ASX SMALL ORD	2,668.7	8.30	↓	0.31%
S&P/ASX MIDCAP 50	6,610.9	23.70	↓	0.36%
S&P/ASX 20	3,324.0	33.40	↓	1.00%
Foreign Markets Index				
	Last	Change		
S&P 500	2,578.06	6.78	↓	0.26%
DJIA	23,401.28	38.42	↓	0.16%
Nasdaq	6,732.48	25.12	↓	0.37%
FTSE 100	7,414.42	0.76	↓	0.01%
ALL ORDINARIES	6,048.70	48.50	↓	0.80%
Nikkei 225	22,380.01	0.98	↓	0.00%
Hang Seng	29,152.12	30.06	↓	0.10%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9016	0.0039	↓	0.43%
USD	0.6883	0.0020	↓	0.29%
CNY	4.5680	0.0140	↓	0.31%
EUR	0.5835	0.0082	↓	1.39%
CAD	0.8766	0.0023	↓	0.26%
GBP	0.5228	0.0036	↓	0.68%
JPY	78.0340	0.4020	↓	0.51%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.71			
10-year Swap	3.22			
Commodities				
	Last	Change		
Spot Gold \$US	1,281.99	3.79	↑	0.30%
Spot Silver \$US	17.04	0.02	↑	0.12%
Oil(WTI)	55.66	1.14	↓	2.01%

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