

Top News

NZ dollar tumbles vs pound on BoE rate hike view, falls vs greenback

The New Zealand dollar fell to a four-month low against the pound after the Bank of England said it may hike interest rates in coming months and declined against the greenback as the latest political poll put the Labour Party back on top.

The pound surged 1.4% against the greenback after the BoE kept its bank rate unchanged at 0.25% but said it may be appropriate to reduce some monetary stimulus in the "coming months". The overnight interest swaps market is putting odds on a hike at the bank's November meeting.

In the US, CPI inflation was a stronger-than-expected 0.4% in August, stoking talk of a third rate hike by the Federal Reserve this year. The kiwi initially dipped after INews Colmar-Brunton poll put Labour on 44% support to National's 40%, while a poll of polls had them level pegging.

December hike bets firm

Wall Street was mixed as the latest US inflation data renewed bets the Federal Reserve might hike interest rates for a third time after all this year.

A Labour Department report showed its consumer price index increased 0.4% in August, surpassing economists' expectations and following a 0.1% gain in July.

The Federal Open Market Committee begins its next two-day meeting on September 19.

The Dow rose as gains in shares of United Technologies and those of Pfizer, recently up 2.1% and 1.9% respectively, outweighed slides in shares of Travelers and those of Walt Disney, recently down 1.7% and 1% respectively.

NZ shares mixed, Xero at 3-year record and Summerset gains while Air NZ, Vector fall

New Zealand shares were mixed, with investors positioning ahead of the general election Sept 23. Xero rose to a three-year high with Summerset Group up while Vector fell.

Summerset Group gained 2% to \$5.10. It plans to build its fifth retirement village in the greater Wellington region with the purchase of a 6-hectare block of land north of the city.

The Wellington-based company wants to develop a 290-unit village with a rest home and hospital care and is Summerset's seventh greenfield site. The land is in Porirua's Kenepuru Landing development, a joint residential development between local iwi Ngati Toa and Tauranga-based developer Carrus Corp.

Air New Zealand was the worst performer, down 2.6% to \$3.33, while Arvida Group shed 1.6% to \$1.23. Vector dropped 2.4% to \$3.22.

Outside the benchmark index, Turners Automotive Group fell 4.8% to \$3.20. Yesterday it was halted during a \$25 million placement at \$3.02 per share, which was fully subscribed with the underwriter not called on to top up the discounted offer.

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NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,462.07	13.90	↓	0.16%
S&P/NZX 50 Index	7,819.23	12.44	↓	0.16%
S&P/NZX Mid Cap Index	22,393.44	54.87	↓	0.24%
S&P/NZX Small Cap	52,340.18	29.23	↓	0.06%
S&P/NZAX All Index	573.85	3.35	↓	0.58%
ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,798.4	5.6	↓	0.10%
S&P/ASX 200	5,738.7	5.6	↓	0.10%
S&P/ASX SMALL ORD	2,473.9	3.0	↓	0.12%
S&P/ASX MIDCAP 50	6,161.9	2.0	↓	0.03%
S&P/ASX 20	3,226.8	2.6	↓	0.08%
Foreign Markets Index				
	Last		Change	
S&P 500	2,495.62	2.75	↓	0.11%
DJIA	22,203.48	45.30	↑	0.20%
Nasdaq	6,429.08	31.11	↓	0.48%
FTSE 100	7,295.39	84.31	↓	1.14%
ALL ORDINARIES	5,798.40	5.60	↓	0.10%
Nikkei 225	19,807.44	58.38	↓	0.29%
Hang Seng	27,777.20	116.88	↓	0.42%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9021	0.0006	↓	0.07%
USD	0.7221	0.0004	↓	0.06%
CNY	4.7320	0.0020	↑	0.04%
EUR	0.6060	0.0002	↓	0.03%
CAD	0.8785	0.0004	↓	0.05%
GBP	0.5390	0.0003	↓	0.06%
JPY	79.5865	0.0525	↓	0.07%
NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.65			
10-year Swap	3.16			
Commodities				
	Last		Change	
Spot Gold \$US	1,329.50	0.32	↓	0.02%
Spot Silver \$US	17.74	0.03	↓	0.18%
Oil(WTI)	49.67	0.33	↑	0.67%