

# MORNING REPORT

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## Top News

### NZ dollar falls vs Aussie on stronger-than-expected China imports; inflation data looms

The New Zealand dollar fell against its Australian counterpart as the Aussie benefitted from stronger-than-expected Chinese import data and ahead of domestic data this week which is expected to show inflation remains weak.

Traders said missile strikes by the US, France and the UK against Syria's Assad regime, in retaliation for chemical weapons attacks, will limit any upside moves in the kiwi this week although it didn't provoke a sharp selloff when the market opened in New Zealand this morning.

### Focus on US earnings, retail sales, Fed speakers

Investors are gearing up for the latest earnings from US companies including Goldman Sachs and Bank of America as well as a host of speeches by Federal Reserve officials and fresh reports on retail sales and industrial production.

For the group of FAANG stocks —Facebook, Amazon.com, Apple, Netflix and Google's parent Alphabet, analysts expect average first-quarter year-over-year earnings growth of 25.8 percent, about double the pace of gains in the fourth quarter and the same period a year ago, according to Reuters.

On Friday, the Dow Jones Industrial Average fell 0.5 percent, the Standard & Poor's 500 Index slid 0.3 percent, and the Nasdaq Composite Index declined 0.5 percent. US Treasuries rose, sending yields on the 10-year note two basis points lower to 2.82 percent.

For the week, however, the Dow climbed 1.8 percent, the S&P 500 rallied 2 percent, and the Nasdaq jumped 2.8 percent.

### NZ shares rise as Fletcher jumps on Wesfarmers report, Mercury, A2 Milk fall

New Zealand's benchmark S&P/NZX 50 Index rose, with much of the gain driven by Fletcher Building shares, which lifted on a report Australia's Wesfarmers has taken a small stake. Mercury NZ led decliners and A2 Milk fell on concerns it could be hurt by rivalry in sales of dairy products with the A2 protein variant.

Fletcher rose 8.6 percent to \$6.34. The Sydney Morning Herald cited sources close to Wesfarmers as saying it had bought between 3 percent and 4 percent of Fletcher and may be considering a full takeover. A 4 percent holding would be about 27.9 million shares and there have been no trades of that size this year although a stake could be built up gradually.

A2 Milk fell 2.5 percent to \$12.31, having soared 57 percent this year.

SkyCity Entertainment Group gained 2.1 percent to \$3.99, Z Energy was up 1.7 percent to \$7.24 and Vector rose 1.5 percent to \$3.30. Synlait Milk extended its gains, rising 1.3 percent to \$9.38.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,159.948	11.688	▲	0.13%
S&P/NZX 50 Index	8,414.769	10.549	▲	0.13%
S&P/NZX MidCap Index	24,315.801	19.409	▼	0.08%
S&P/NZX SmallCap Index	58,644.518	103.168	▲	0.18%
S&P/NZAX All Index	517.285	3.475	▲	0.68%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,924.70	13.30	▲	0.22%
S&P/ASX 200	5,829.10	13.60	▲	0.23%
ASX Small Ordinaries	2,668.60	15.90	▲	0.60%
S&P/ASX MIDCAP 50	6,640.10	37.30	▲	0.56%
S&P/ASX 20	3,220.40	1.50	▲	0.05%
Foreign Markets Index				
	Last	Change		
S&P 500	2,656.30	7.69	▼	0.29%
Dow Jones	#N/A	#N/A	#N/A	#N/A
NASDAQ Composite	7,106.65	33.60	▼	0.47%
FTSE 100	#N/A	#N/A	#N/A	#N/A
ASX All Ordinaries	5,924.70	13.30	▲	0.22%
NIKKEI 225	21,778.74	118.46	▲	0.55%
HANG SENG INDEX	30,808.38	22.90	▼	0.07%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9464	0.0008	▼	0.08%
USD	0.7356	0.0004	▼	0.05%
CNY	4.6140			
EUR	0.5964	0.0001	▼	0.02%
CAD	0.9267	0.0005	▼	0.05%
GBP	0.5162	0.0004	▼	0.08%
JPY	79.1050	0.1500	▲	0.19%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.74			
10-year Swap	3.19			
Commodities Futures				
	Last	Change		
Gold	1,348.60	6.70	▲	0.50%
Silver	16.65	0.17	▲	1.04%
Crude Oil	67.39	0.32	▲	0.48%

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