

### Top News

#### NZ dollar falls after stronger US data, unexpected decline in dairy product prices

The New Zealand dollar fell after stronger-than-expected US retail sales lifted the greenback and prices fell in the GlobalDairyTrade auction overnight.

The US dollar index gained about 0.4% after retail sales in July rose 0.6%, twice the forecast pace, while sales in the previous month were revised higher. The data added to positive sentiment for the greenback, which has been helped by reducing concerns about a possible conflict with North Korea. Meanwhile, the GDT price index fell 0.4% overnight, the fourth decline in five auctions. Whole milk powder slid 0.6% to US\$3,143 a tonne.

#### Big corporates seek lower tax rate, 'NZ first' approach to tax rulings

Some of New Zealand's largest companies are calling on any future government to lower the corporate tax rate, which is becoming high compared to other countries, and a "New Zealand first" approach to cross-border finance arrangements that result in revenue being undertaxed in other countries.

Published jointly by peak business lobby Business New Zealand and accounting firm Deloitte, the Major Companies Tax Survey also expresses concern that "attention on multi-nationals should not tar all large companies, and it is important that the government play its part to clarify the reality of the policy issue, not fuel any inaccurate perceptions" about levels of tax paid by multinational companies.

#### Solid US retail sales

A report showing better-than-expected US retail sales underpinned bets the Federal Reserve will hike interest rates at least once more this year, bolstering the greenback. A Commerce Department report showed US retail sales climbed 0.6% in July, the largest increase this year and beating economists' expectations.

The Dow rose as gains in shares of American Express and those of Apple, recently up 1.7% and 1.1% respectively, outweighed slides in shares of Home Depot and those of Nike, recently down 3.1% and 2.1% respectively.

#### NZ stocks rise, as earnings glow boosts Summerset, Contact; Fletcher rallies on positive sentiment

New Zealand shares rose, led by Contact Energy for a second day as upbeat earnings bolstered the power company, while Summerset Group's result boosted demand for its shares.

Contact Energy led the benchmark higher for a second consecutive session, up 3.1% to \$5.71. The electricity generator-retailer yesterday reported a 10% fall in underlying earnings to \$141 million for the year to June 30, and announced it would be moving to a new dividend policy with payouts based on 80-to-90% of free cash flow which would let it make larger returns than under the existing policy. Summerset gained 3.1% to \$5.05. New Zealand's second-largest retirement village developer posted a 45% gain in first-half underlying earnings to \$35.7 million and reiterated that full-year profit may increase by a third as it ramps up development.

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NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,470.01	52.88	↑	0.63%
S&P/NZX 50 Index	7,813.73	51.80	↑	0.67%
S&P/NZX Mid Cap Index	22,299.50	66.19	↑	0.30%
S&P/NZX Small Cap	53,252.29	54.48	↑	0.10%
S&P/NZAX All Index	562.76	1.04	↑	0.19%
ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,804.0	25.4	↑	0.44%
S&P/ASX 200	5,757.5	27.1	↑	0.47%
S&P/ASX SMALL ORD	2,392.6	6.8	↑	0.28%
S&P/ASX MIDCAP 50	6,247.2	1.5	↑	0.02%
S&P/ASX 20	3,273.7	16.8	↑	0.51%
Foreign Markets Index				
	Last		Change	
S&P 500	2,464.61	1.23	↓	0.05%
DJIA	21,998.99	5.28	↑	0.02%
Nasdaq	6,333.01	7.22	↓	0.11%
FTSE 100	7,383.85	29.96	↑	0.41%
ALL ORDINARIES	5,804.0	25.4	↑	0.44%
Nikkei 225	19,753.31	216.21	↑	1.11%
Hang Seng	27,174.96	75.27	↓	0.28%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9251	0.0028	↓	0.30%
USD	0.7235	0.0051	↓	0.70%
CNY	4.8380	0.0210	↓	0.43%
EUR	0.6164	0.0020	↓	0.32%
CAD	0.9229	0.0041	↓	0.44%
GBP	0.5625	0.0005	↑	0.09%
JPY	80.0345	0.1505	↑	0.19%
NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.95			
5-year Swap	2.65			
10-year Swap	3.17			
Commodities				
	Last		Change	
Spot Gold \$US	1,272.01	9.63	↓	0.75%
Spot Silver \$US	16.63	0.44	↓	2.60%
Oil(WTI)	47.60	0.10	↑	0.21%