



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 gains as evidence of emerging US inflation fails to arrest greenback's slide

The New Zealand dollar rose, briefly climbing above 74 US cents, as signs of emerging inflation pressures in the US failed to halt the greenback's slide to a 15-month low vs the yen.

The US producer price index (PPI) excluding food and energy rose 0.4 percent in January, twice the pace expected, for a year-on-year gain of 2.2 percent, also above expectations. The figures came a day after stronger-than-expected US CPI data. Meanwhile, the Federal Reserve Bank of Philadelphia said regional manufacturing activity grew faster than expected this month.

Wall St gains on solid earnings

Wall Street climbed as investors focused on upbeat corporate earnings such as from Cisco Systems.

In the latest signs of accelerating inflation, however, a Labour Department report showed US wholesale prices rose in January, with the producer price index increasing 0.4 percent, in line with economists' expectations and following an unchanged reading in December.

US Treasuries were steady, with the yield on the 10-year note at 2.9 percent, close to the highest level in four years.

The Dow rose as gains in shares of Cisco and those of Apple, recently up 4.4 percent and 3.1 percent respectively, outweighed slides in shares of UnitedHealth and those of Exxon Mobil, recently down 1.9 percent and 0.6 percent respectively.

NZ shares rise, led by Sanford, Metro Glass gain; Fletcher extends slide

New Zealand shares rose, led higher by Sanford and Metro Performance Glass, with Fletcher Building extending its slide after wednesday's selloff.

Sanford led the index up 4 percent to \$7.88, with Metro Performance Glass rising 3.5 percent to 88 cents and Australia & New Zealand Banking Group gaining 2.3 percent to \$30.28.

The worst performer was Genesis Energy, down 1.7 percent to \$2.35, with Fonterra Shareholders Fund dropping 1.6 percent to \$6.01.

Fletcher Building fell 1.3 percent to \$6.96. The stock dropped 9.3 percent yesterday after the company took a further \$486 million provision for project losses at its B+I unit and said 14 of the unit's 73 projects, worth \$2.3 billion, are loss-making or 'on watch'. It said it has obtained a waiver from its commercial banking syndicate after breaching the terms of its loans, and aims to finish renegotiations by the end of March.

The stock had fallen as far as \$6.91 in intraday trading, but recovered somewhat by the close. It's now at a two-month low.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,773.323	5.483	▲	0.06%
S&P/NZX 50 Index	8,063.329	4.529	▲	0.06%
S&P/NZX MidCap Index	23,597.006	9.846	▲	0.04%
S&P/NZX SmallCap Index	57,249.193	269.913	▲	0.47%
S&P/NZAX All Index	551.473	7.413	▲	1.36%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,008.70	68.70	▲	1.16%
S&P/ASX 200	5,909.00	67.80	▲	1.16%
ASX Small Ordinaries	2,670.30	34.30	▲	1.30%
S&P/ASX MIDCAP 50	6,579.60	63.40	▲	0.97%
S&P/ASX 20	3,295.60	41.00	▲	1.26%
Foreign Markets Index				
	Last	Change		
S&P 500	2,726.59	27.96	▲	1.04%
Dow Jones	25,148.17	254.68	▲	1.02%
NASDAQ Composite	7,246.78	103.17	▲	1.44%
FTSE 100	7,234.81	20.84	▲	0.29%
ASX All Ordinaries	6,008.70	68.70	▲	1.16%
NIKKEI 225	21,464.98	310.81	▲	1.47%
HANG SENG INDEX	31,115.43	599.83	▲	1.97%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9336	0.0042	▲	0.45%
USD	0.7408	0.0043	▲	0.58%
CNY	4.7010	0.0290	▲	0.62%
EUR	0.5923	0.0007	▲	0.12%
CAD	0.9252	0.0051	▲	0.55%
GBP	0.5257	0.0004	▼	0.08%
JPY	78.7240	0.0860	▼	0.11%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.75			
10-year Swap	3.30			
Commodities Futures				
	Last	Change		
Gold	1,356.80	1.20	▼	0.09%
Silver	16.83	0.05	▼	0.28%
Crude Oil	61.53	0.93	▲	1.53%

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

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