

# MORNING REPORT

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## Top News

### NZ dollar climbs above 73 US cts, following euro higher on optimism over EU outlook

The New Zealand dollar climbed above 73 US cents for the first time in almost four months, following the euro higher as economists grow more optimistic about the outlook for the European Union.

The euro gained 0.7 percent to US\$1.2271 while US markets were closed for the Martin Luther King Jr public holiday, with speculative investors building record long positions in the shared currency, while economists surveyed by Bloomberg upgraded their 2018 outlook for growth in the eurozone.

The euro was also boosted by comments from European Central Bank governing council member Ardo Hansson that the monetary authority should be able to stop its asset purchase programme without any problems in September and he played down the inflationary threat of a stronger currency.

### Euro rallies, Carillion collapses

The euro strengthened to a three-year high amid optimism about economic growth in the European Union, the currency's rise weighing on the region's equities, notably those of exporters.

Indeed, hedge funds and other speculative investors have amassed the heaviest long positions on the euro ever, Bloomberg reported, citing the latest Commodity Futures Trading Commission data, amid bets on a September end to European Central Bank stimulus.

Meanwhile, economists in a Bloomberg survey upgraded their 2018 outlook for euro-zone growth to 2.2 percent, close to the decade-high 2.4 percent pace estimated for last year.

The collapse of Carillion, one of the UK government's top contractors that employs about 43,000 people worldwide, weighed on sentiment.

### NZ shares down in light trading, Pushpay and Fonterra Fund drop

New Zealand shares fell in light volume as holiday trading continued, with Pushpay Holdings and Fonterra Shareholders Fund leading the losses.

Fonterra Shareholders Fund dropped 2.1 percent to \$6.52.

Pushpay Holdings led the index lower, down 2.9 percent to \$4.01, with Tourism Holdings falling 1.7 percent to \$5.69 and Freightways declining 1.7 percent to \$7.66. Fletcher Building was the best performer, up 1.7 percent to \$7.70. Sanford rose 1.2 percent to \$8.40.

Mercury NZ was unchanged to \$3.38. It has selected Tesla as the provider for a scalable national grid-connected battery trial after a tender process launched last September.

Sky Network Television was unchanged at \$2.81. It has settled with Mediaworks and Fairfax New Zealand over a copyright dispute, leaving state-owned broadcaster Television New Zealand and NZX-listed NZME still defending the claim.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,951.876	32.224	▼	0.36%
S&P/NZX 50 Index	8,211.372	30.978	▼	0.38%
S&P/NZX MidCap Index	24,374.075	106.135	▼	0.43%
S&P/NZX SmallCap Index	60,265.174	4.784	▲	0.01%
S&P/NZAX All Index	541.729	0.179	▲	0.03%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,187.70	10.90	▲	0.18%
S&P/ASX 200	6,077.10	7.00	▲	0.12%
ASX Small Ordinaries	2,774.40	14.30	▲	0.52%
S&P/ASX MIDCAP 50	6,753.40	0.50	▲	0.01%
S&P/ASX 20	3,391.80	5.20	▲	0.15%
Foreign Markets Index				
	Last	Change		
S&P 500	2,786.24	18.68	▲	0.67%
Dow Jones	25,803.19	228.46	▲	0.89%
NASDAQ Composite	7,261.06	49.28	▲	0.68%
FTSE	7,769.14	9.50	▼	0.12%
ASX All Ordinaries	6,187.70	10.90	▲	0.18%
NIKKEI 225	23,714.88	61.06	▲	0.26%
HANG SENG INDEX	31,338.87	73.67	▼	0.23%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9162	0.0001	▼	0.01%
USD	0.7300	0.0061	▲	0.84%
CNY	4.6980	0.0130	▲	0.28%
EUR	0.5950	0.0014	▲	0.24%
CAD	0.9072	0.0047	▲	0.52%
GBP	0.5292	0.0019	▲	0.36%
JPY	80.6285	0.1910	▲	0.24%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.73			
10-year Swap	3.23			
Commodities Futures				
	Last	Change		
Gold	1,340.50	18.00	▲	1.36%
Silver	17.37	0.40	▲	2.38%
Crude Oil	64.81	1.01	▲	1.58%

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