

## Top News

### NZ dollar holds gains after softer US inflation which Yellen says won't persist

The New Zealand dollar held onto its gains after rising on Friday in New York following weaker-than-expected US inflation, which Federal Reserve chair Janet Yellen says she doesn't expect to persist. An announcement on NZ's next government could come as soon as today.

National Party leader Bill English says his party exchanged letters with New Zealand First over the weekend and the focus of talks has been on policy rather than ministerial positions, he told the AM Show. NZ First leader Winston Peters has said he expects there will be a new government before the end of the week after his party missed its own deadlines to make a decision.

### Yellen sees higher inflation

Investors will eye any fresh takes on the latest US inflation data from Federal Reserve officials speaking this week as well as a slew of US quarterly corporate earnings including from Goldman Sachs.

Last Friday, the Dow Jones Industrial Average, the Standard & Poor's 500 Index and the Nasdaq Composite Index all closed at record highs as reports showing weaker-than-expected US inflation bolstered optimism the Federal Open Market Committee might hike interest rates slower than anticipated.

Friday's Labour Department report showed that its so-called core consumer price index, which excludes food and energy, increased 0.1% in September, down from 0.2% in August.

Wall Street's rally has taken forecasters by surprise. At 2,553, the S&P 500 now sits 53 points above the most optimistic of the 18 predictions that Bloomberg compiled at the start of 2017.

### NZ shares up, Trustpower and Infratil rise while Fletcher Building drops

New Zealand shares gained, led by Trustpower and Infratil on earnings upgrades, while Fletcher Building gave back gains.

Xero, Synlait Milk and A2 Milk Co, all of which have seen strong gains over the past fortnight after positive news, continued to rise.

Trustpower led the index, up 3.9% to \$5.89. It raised annual earnings guidance for a third time this financial year with strong wholesale electricity prices on both sides of the Tasman and increased generation in New Zealand, also boosting the outlook for controlling shareholder Infratil whose shares gained 1.6% to \$3.16.

Fisher & Paykel Healthcare rose 1.3% to \$12.82. It is considering whether to appeal a ruling by the Regional Court in Munich that rival ResMed did not infringe its patents in one of the cases in the continuing intellectual property dispute over its face and nasal masks.

NPT gained 3.5 percent to 59.5 cents. The listed property investor has sold its interest in the AA Centre in central Auckland to SkyCity Entertainment Group for \$47 million, as it looks to reposition the business after a board overhaul.

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NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,758.15	20.50	↑	0.23%
S&P/NZX 50 Index	8,039.31	21.20	↑	0.26%
S&P/NZX Mid Cap Index	24,223.39	162.17	↑	0.67%
S&P/NZX Small Cap	54,215.98	56.59	↓	0.10%
S&P/NZAX All Index	567.98	4.06	↓	0.71%
ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,884.7	20.6	↑	0.35%
S&P/ASX 200	5,814.2	19.7	↑	0.34%
S&P/ASX SMALL ORD	2,557.6	6.5	↑	0.25%
S&P/ASX MIDCAP 50	6,309.0	24.9	↑	0.39%
S&P/ASX 20	3,264.8	10.7	↑	0.33%
Foreign Markets Index				
	Last		Change	
S&P 500	2,553.17	2.24	↑	0.09%
DJIA	22,871.72	30.71	↑	0.13%
Nasdaq	6,605.80	14.29	↑	0.22%
FTSE 100	7,535.44	20.80	↓	0.28%
ALL ORDINARIES	5,884.70	20.60	↑	0.35%
Nikkei 225	21,155.18	200.46	↑	0.96%
Hang Seng	28,476.43	17.40	↑	0.06%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9093	0.0008	↑	0.09%
USD	0.7170	0.0001	↑	0.01%
CNY	4.7210			
EUR	0.6068			
CAD	0.8936			
GBP	0.5388			
JPY	80.1050	0.0100	↓	0.01%
NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.93			
5-year Swap	2.72			
10-year Swap	3.24			
Commodities				
	Last		Change	
Spot Gold \$US	1,303.23	0.27	↓	0.02%
Spot Silver \$US	17.41	0.04	↑	0.22%
Oil(WTI)	50.63	0.62	↓	1.21%