



## MORNING REPORT

As at 9:00 AM 17-01-18

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### Top News

#### NZ dollar dips as policymakers grumble over global currency volatility, US reopens

The New Zealand dollar edged lower as Japanese and European policymakers raised concerns over excessive volatility in currency markets and as US investors returned from a long weekend.

US investors were back at work after the Martin Luther King Jr holiday on Monday, halting the sell-off in the greenback over recent days and taking stocks on Wall Street to new records. The euro and yen have been beneficiaries of a weak US dollar, dragging other currencies such as the kiwi higher, but that rally paused as Japan's Finance Minister Taro Aso told reporters big swings in currencies were problematic, while European Central Bank council member Francois Villeroy de Galhau was wary of the inflationary impacts of a stronger euro.

Currency traders largely ignored the GlobalDairyTrade auction, which showed a 4.9 percent increase in the trade-weighted index as reduced supply across all products led to a broad-based increase in prices. The ANZ commodity price index today will be watched to see how prices for New Zealand's non-dairy primary exports are tracking.

#### Dow climbs above 26,000 points

Wall Street moved higher, paring some of its gains after touching record highs earlier in the day, amid better-than-expected corporate earnings including from UnitedHealth Group and a rally in Merck shares.

Earlier in the day Wall Street's three benchmark indexes each touched record highs.

The Dow vaulted past 26,000 points, led by gains in shares of Merck and those of UnitedHealth Group, recently up 6.9 percent and 2.4 percent respectively. On Monday US financial markets were closed for Martin Luther King Jr Day.

Shares of Merck jumped on results of a key trial for its Keytruda cancer drug.

#### NZ shares up, A2 Milk and Auckland Airport rise

New Zealand shares rose in light trading, led higher by A2 Milk Co on a rival's earnings upgrade and Auckland International Airport gaining.

A2 Milk Co led the index, up 3.8 percent to \$8.

ASX-listed Bellamy's, which like A2 produces infant formula, saw its shares up 23 percent to A\$13.49 at 5pm New Zealand time after it upgraded its full year revenue growth guidance for its core business to 30-to-35 percent, from 15-to-20 percent.

Auckland International Airport gained 1.8 percent to \$6.37. It will sell its quarter-stake in the Cairns and Mackay airports in North Queensland to its fellow investors for A\$370 million, almost three times what it paid eight years ago.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,994.641	42.761	▲	0.48%
S&P/NZX 50 Index	8,250.538	39.168	▲	0.48%
S&P/NZX MidCap Index	24,442.543	68.473	▲	0.28%
S&P/NZX SmallCap Index	60,406.969	141.799	▲	0.24%
S&P/NZAX All Index	540.480	1.250	▼	0.23%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,165.90	21.80	▼	0.35%
S&P/ASX 200	6,048.60	28.50	▼	0.47%
ASX Small Ordinaries	2,784.90	10.50	▲	0.38%
S&P/ASX MIDCAP 50	6,766.20	12.80	▲	0.19%
S&P/ASX 20	3,369.00	22.80	▼	0.67%
Foreign Markets Index				
	Last	Change		
S&P 500	2,774.27	11.97	▼	0.43%
Dow Jones	25,732.11	71.08	▼	0.28%
NASDAQ Composite	7,220.85	40.21	▼	0.55%
FTSE 100	7,755.93	13.21	▼	0.17%
ASX All Ordinaries	6,165.90	21.80	▼	0.35%
NIKKEI 225	23,951.81	236.93	▲	1.00%
HANG SENG INDEX	31,904.75	565.88	▲	1.81%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9149	0.0017	▼	0.19%
USD	0.7289	0.0012	▼	0.16%
CNY	4.6950	0.0030	▼	0.06%
EUR	0.5936	0.0015	▼	0.25%
CAD	0.9044	0.0027	▼	0.30%
GBP	0.5283	0.0009	▼	0.17%
JPY	80.4390	0.2560	▼	0.32%
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	1,339.20	4.30	▲	0.32%
Silver	17.21	0.07	▲	0.40%
Crude Oil	63.90	0.40	▼	0.62%

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