

MORNING REPORT

As at 9:05 AM 17 November 2017

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Top News

NZ dollar little changed as risk sentiment improves, commodities slip

The New Zealand dollar was little changed, having fallen to a two-week low overnight, as a measure of risk appetite improved but commodity prices fell, leaving the kiwi struggling against a mixed global backdrop.

The CRB Index of 19 commonly traded commodities fell 0.2% overnight while the Chicago Board Options Exchange Volatility Index (VIX), known as Wall Street's fear gauge, dropped almost 13%. Traders will be watching for a survey of New Zealand manufacturing today for any signs sentiment has shifted in the wake of the change of government.

Yesterday, the US House of Representatives approved the package of tax cuts that Reuters described as the biggest tax code overhaul in a generation in a vote that was won 227 to 205, shifting the debate to the Senate. Tax cuts were seen as one of the economy-stimulating policies heralded by US President Donald Trump.

Wal-Mart, Cisco rallies boosts mood

Wall Street gained as shares of Wal-Mart and those of Cisco rallied after posting earnings that beat expectations. Also adding to sentiment was renewed optimism that the Trump administration is making progress on its tax reform including corporate tax reductions.

The Dow gained as rallies in shares of Wal-Mart and those of Cisco, recently up 9% and 6.2% respectively, outweighed declines in shares of Travelers and those of Exxon Mobil, recently down 1.8% and 1.1% respectively.

Shares of Wal-Mart Stores jumped to a record high after the world's largest retailer reported better-than-expected quarterly sales growth and upgraded its full-year earnings forecast, bolstering optimism about its outlook in an increasingly competitive industry pressured by Amazon. Online net sales in the US climbed 50% in the quarter from the same period a year ago.

NZ shares up, Kathmandu and A2 lead gains while Pushpay, Rakon rally on earnings

New Zealand shares rose, led higher by Kathmandu Holdings and A2 Milk Co, while CBL Corp dropped.

Kathmandu Holdings led the index, up 2.5% to \$2.44. Z Energy gained 2.4% to \$7.70 and Metro Performance Glass rose 2.3% to 88 cents. A2 Milk Co gained 2.1% to \$7.79 while Synlait Milk advanced 1.9% to \$7.08.

Pushpay says it's planning on a US listing and likely a capital raising within the next 15 months, but that won't mean de-listing from the NZX or ASX. Steel & Tube Holdings dropped 1% to \$2.04. Its first-half earnings may fall as much as 38%, reflecting a write-down of inventory, restructuring costs and margin pressures.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,711.33	36.65	↑	0.42%
S&P/NZX 50 Index	8,034.70	34.76	↑	0.43%
S&P/NZX Mid Cap Index	23,819.30	95.33	↑	0.40%
S&P/NZX Small Cap	55,117.89	115.81	↑	0.21%
S&P/NZAX All Index	557.46	4.55	↓	0.81%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	6,023.5	11.20	↑	0.19%
S&P/ASX 200	5,943.5	9.30	↑	0.16%
S&P/ASX SMALL ORD	2,653.5	1.60	↑	0.06%
S&P/ASX MIDCAP 50	6,596.5	13.80	↑	0.21%
S&P/ASX 20	3,302.1	0.70	↓	0.02%

Foreign Markets Index				
	Last		Change	
S&P 500	2,586.91	22.29	↑	0.87%
DJIA	23,465.79	194.51	↑	0.84%
Nasdaq	6,798.54	92.33	↑	1.38%
FTSE 100	7,386.94	14.33	↑	0.19%
ALL ORDINARIES	6,023.50	11.20	↑	0.19%
Nikkei 225	22,351.12	322.80	↑	1.47%
Hang Seng	29,018.76	167.07	↑	0.58%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9027	0.0036	↓	0.40%
USD	0.6851	0.0026	↓	0.38%
CNY	4.5400	0.0130	↓	0.29%
EUR	0.5822	0.0009	↓	0.15%
CAD	0.8735	0.0042	↓	0.48%
GBP	0.5197	0.0025	↓	0.48%
JPY	77.4050	0.2100	↓	0.27%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.66			
10-year Swap	3.16			

Commodities				
	Last		Change	
Spot Gold \$US	1,278.40	0.17	↑	0.01%
Spot Silver \$US	17.07	0.09	↑	0.50%
Oil(WTI)	55.22	0.13	↓	0.23%

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