



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 little changed ahead of inflation data, after gains in dairy prices

The New Zealand dollar was little changed ahead of figures tomorrow that are expected to show inflation remains tepid and will give the Reserve Bank no reason to contemplate interest rate hikes.

Economists expect annual inflation was 1.1 percent in the first quarter, slowing from a 1.6 percent pace three months earlier. That's also the forecast of the Reserve Bank, which is projecting its first rate increase in 2020. The kiwi didn't move much after dairy product prices rose at the Global Dairy Trade auction, gaining for the first time in five events, amid strong demand. The GDT price index increased 2.7 percent and whole milk powder rose 0.6 percent to US\$3,311 a tonne.

Netflix, Twitter, UnitedHealth lift Wall St

Wall Street rose amid better-than-expected results from companies including Netflix and UnitedHealth, bolstering optimism about the outlook for corporate profit growth and valuations.

The Dow rose as gains in shares of General Electric and those of UnitedHealth, recently up 3.5 percent and 2.8 percent respectively, outweighed slides in shares of Goldman Sachs and those of Johnson & Johnson, recently down 1.9 percent and 1.6 percent respectively.

Shares of Netflix jumped, up 9.9 percent as of 2.48pm in New York, after the company gained more subscribers than analysts had forecast.

Meanwhile, shares of Twitter also jumped, up 11 percent as of 2.54pm in New York, after Morgan Stanley analyst Brian Nowak upgraded the stock to an equal-weight, according to Bloomberg.

NZ shares fall as Fletcher rights issue takes focus; AIA, A2, Comvita drop

New Zealand shares fell as investors weighed up the impact of Fletcher Building's deeply discounted rights issue soaking up demand from the broader market. Auckland International Airport and exporters A2 Milk Co and Comvita dropped.

Fletcher today announced a \$750 million rights issue at a 23 percent discount to the last trading price of \$6.27, with an institutional offer running until Thursday, and trading of the shares halted until Friday. The capital raise is part of a \$1.25 billion refinancing plan shoring up the construction company's balance sheet having drawn \$280 million in the first three months of this year alone. Fletcher also announced plans to sell Formica and its steel roofing tiles business.

Auckland International Airport led the market lower, falling 2.7 percent to \$6.215, while exporters A2 Milk declined 2.3 percent to \$12.19 and Comvita dropped 1.9 percent to \$6.88.

A2 yesterday signed up an exclusive distribution deal in South Korea, while the honey products maker yesterday cut earnings guidance over a poor honey season and said it was subject to due diligence by a potential suitor.

NZX Index

Index	Last	Change
S&P/NZX All Index	9,086.942	63.958 ▼ 0.70%
S&P/NZX 50 Index	8,344.520	61.830 ▼ 0.74%
S&P/NZX MidCap Index	24,176.542	28.848 ▼ 0.12%
S&P/NZX SmallCap Index	58,649.476	30.286 ▲ 0.05%
S&P/NZAX All Index	518.610	2.020 ▼ 0.39%

ASX Index

Index	Last	Change
ASX All Ordinaries	5,934.30	1.30 ▲ 0.02%
S&P/ASX 200	5,841.50	0.20 ▲ 0.00%
ASX Small Ordinaries	2,670.00	5.20 ▲ 0.20%
S&P/ASX MIDCAP 50	6,640.80	3.40 ▼ 0.05%
S&P/ASX 20	3,224.30	3.30 ▼ 0.10%

Foreign Markets Index

	Last	Change
S&P 500	2,706.39	28.55 ▲ 1.07%
Dow Jones	24,786.63	213.59 ▲ 0.87%
NASDAQ Composite	7,281.10	124.81 ▲ 1.74%
FTSE 100	7,226.05	27.85 ▲ 0.39%
ASX All Ordinaries	5,934.30	1.30 ▲ 0.02%
NIKKEI 225	21,847.59	12.06 ▲ 0.06%
HANG SENG INDEX	30,062.75	252.84 ▼ 0.83%

Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9455	0.0006 ▼ 0.06%
USD	0.7343	0.0019 ▼ 0.26%
CNY	4.6130	0.0040 ▼ 0.09%
EUR	0.5936	0.0002 ▲ 0.03%
CAD	0.9216	0.0034 ▼ 0.37%
GBP	0.5139	0.0002 ▲ 0.04%
JPY	78.5650	0.2870 ▼ 0.36%

NZ Interest Rates

	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.74	
10-year Swap	3.19	

Commodities Futures

	Last	Change
Gold	1,350.20	0.50 ▼ 0.04%
Silver	16.78	0.11 ▲ 0.65%
Crude Oil	66.65	0.43 ▲ 0.65%

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

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