

## Equity Investment Advisers Morning Report

As at 8:50 AM 18 Jul 2017

### Top News

#### NZ dollar falls ahead of inflation data that may undershoot RBNZ forecast

The New Zealand dollar fell ahead of second-quarter inflation data which is expected to come in weaker than the Reserve Bank has forecast and giving it little reason to contemplate raising interest rates anytime soon.

Economists expect inflation was 0.2 percent in the three months ended June 30, for an annual rate of 1.9 percent, according to the median in a poll of 15 economists surveyed by Bloomberg. That would be below the central bank's projection of inflation of 0.3 percent in the second quarter for an annual rise of 2.1 percent. The figures may dispel speculation the RBNZ would be encouraged to hike rates in keeping with central banks such as Canada's.

#### Wall St eases from records

Wall Street languished near record highs as investors awaited the latest corporate earnings such as from Netflix.

Other US companies scheduled to report their latest earnings this week include Bank of America, Morgan Stanley, Goldman Sachs, Visa, Microsoft, IBM, Johnson and Johnson, and General Electric.

The Dow drifted lower as declines in shares of IBM and those of JPMorgan Chase, recently 1.2 percent and 0.8 percent weaker respectively, offset gains in shares of Home Depot and those of Microsoft, recently up 0.9 percent and 0.6 percent respectively.

Shares of Blue Apron sank, down 9.8 percent as of 3.21pm in New York, after reports that Amazon filed a trademark application for prepared food kit services. Shares of Amazon traded 0.6 percent higher in late afternoon in New York.

#### Little says Labour would target \$600M in unpaid taxes from multinationals

The Labour Party would target multinationals operating in New Zealand to ensure they don't avoid paying tax if it wins power and is targeting \$600 million over three years through a "diverted profits tax," says leader Andrew Little.

A Labour government would increase funding to Inland Revenue to chase unpaid taxes and give it the power to impose tax "at a penalty rate if they believe that tax has been deliberately avoided," he said.

Little also released an open letter written to multinational companies in which he invites them to a round-table meeting immediately after the Sept. 23 election, assuming Labour wins power.

"I intend to address the rising discontent among New Zealanders regarding multinational companies not contributing fairly," he says in the letter. "I invite you to attend this meeting and work together to ensure New Zealand is a fair place to operate and a great place to live. I look forward to discussing this with you further."

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,348.29	53.41	↑	0.64%
S&P/NZX 50 Index	7,699.56	49.80	↑	0.65%
S&P/NZX Mid Cap Index	21,746.58	116.67	↑	0.54%
S&P/NZX Small Cap	52,290.08	264.17	↑	0.51%
S&P/NZX All Index	584.20	0.66	↑	0.11%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,800.8	7.9	↓	0.14%
S&P/ASX 200	5,755.5	9.6	↓	0.17%
S&P/ASX SMALL ORD	2,389.2	1.0	↓	0.04%
S&P/ASX MIDCAP 50	6,282.3	8.8	↓	0.14%
S&P/ASX 20	3,269.4	10.0	↓	0.31%

Foreign Markets Index				
	Last		Change	
S&P 500	2,459.14	0.13	↓	0.01%
DJIA	21,629.72	8.02	↓	0.04%
Nasdaq	6,314.43	1.96	↑	0.03%
FTSE 100	7,404.13	25.74	↑	0.35%
ALL ORDINARIES	5,800.80	7.90	↓	0.14%
Nikkei 225	20,118.86	19.05	↑	0.09%
Hang Seng	26,470.58	81.35	↑	0.31%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9388	0.0001	↓	0.01%
USD	0.7320	0.0025	↓	0.34%
CNY	4.9550	0.0200	↓	0.40%
EUR	0.6376	0.0027	↓	0.42%
CAD	0.9291			
GBP	0.5606	0.0001	↓	0.02%
JPY	82.4225	0.1785	↓	0.22%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.95			
5-year Swap	2.82			
10-year Swap	3.35			

Commodities				
	Last		Change	
Spot Gold \$US	1,233.79	5.57	↑	0.45%
Spot Silver \$US	16.10	0.13	↑	0.82%
Oil(WTI)	46.09	0.45	↓	0.97%

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