

Top News

NZ dollar falls after dairy auction as ANZ downgrades milk forecast; CPI boost short-lived

The New Zealand dollar fell after prices dropped in the latest dairy auction, prompting ANZ Bank New Zealand to downgrade its milk payout forecast, while gains in the kiwi after stronger inflation data proved to be short-lived.

ANZ Bank lowered its milk price forecast to a range of \$6.25-\$6.50 per kilogram of milk solids compared to Fonterra's projected \$6.75/kgMS, after the GDT price index fell 1% in the GlobalDairyTrade auction overnight, while whole milk powder declined 0.5% to US\$3,014 a tonne.

Meanwhile, the greenback gained after the US September industrial production rose 0.3% as expected and after reports that President Donald Trump favours Stanford University economist John Taylor, who is thought to be a policy hawk who would hike interest rates faster, as the next Federal Reserve chair.

Dow tops 23,000

Wall Street was mixed, with the Dow rising above 23,000 for the first time as shares of both UnitedHealth Group and Johnson & Johnson rose after they reported results that beat expectations and they upgraded their respective earnings outlooks.

Earlier in the day the Dow rose to a record high of 23,002.20.

The Dow rose as gains in shares of UnitedHealth Group and those of Johnson & Johnson, recently up 6% and 3.5% respectively, outweighed declines in shares of Goldman Sachs and those of Visa, recently down 2.5% and 0.7% respectively.

Meanwhile, US Treasuries fell, while the greenback rose amid bets the successor of Federal Reserve Chair Janet Yellen, whose term ends in February, might be more hawkish. Trump plans to interview Yellen on Thursday, a person familiar with the matter told Bloomberg.

NZ shares rise as Restaurant Brands, A2 gain; Xero, Scales drop

New Zealand shares rose, led by Restaurant Brands and A2 Milk, while Xero and Scales Corp fell, with investors still uncertain about the make-up of the next government.

Restaurant Brands led the index higher, up 2.6% to \$7.07, while A2 Milk Co rose 2.6% to \$7.90 and Synlait Milk advanced 2.4% to \$7.62.

Ebos Group advanced 0.3% to \$17.45. The company, which posted a record profit in 2017, driven by acquisitions and sales growth, says earnings will rise about 10% in the current year, after a strong first quarter for its healthcare and animal products divisions.

Infratil edged up 0.2% to \$3.14. The Wellington-based infrastructure and utility investor, which is one of the biggest issuers of NZDX-listed debt securities, says it won't offer holders of its November 2017 bonds an option to reinvest, because it has ample funds and untapped bank facilities.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,780.12	20.48	↑	0.23%
S&P/NZX 50 Index	8,112.05	21.33	↑	0.26%
S&P/NZX Mid Cap Index	24,172.84	14.37	↑	0.06%
S&P/NZX Small Cap	54,191.26	61.00	↓	0.11%
S&P/NZAX All Index	570.95	4.94	↑	0.87%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,958.1	40.90	↑	0.69%
S&P/ASX 200	5,889.6	42.80	↑	0.73%
S&P/ASX SMALL ORD	2,588.8	11.50	↑	0.44%
S&P/ASX MIDCAP 50	6,402.9	63.00	↑	0.98%
S&P/ASX 20	3,313.2	26.20	↑	0.79%

Foreign Markets Index				
	Last		Change	
S&P 500	2,558.96	1.32	↑	0.05%
DJIA	22,993.52	36.56	↑	0.16%
Nasdaq	6,622.83	1.18	↓	0.02%
FTSE 100	7,516.17	10.80	↓	0.14%
ALL ORDINARIES	5,958.10	40.90	↑	0.69%
Nikkei 225	21,336.12	80.56	↑	0.38%
Hang Seng	28,697.49	4.69	↑	0.02%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9139	0.0001	↑	0.01%
USD	0.7169			
CNY	4.7490			
EUR	0.6092	0.0001	↓	0.02%
CAD	0.8982	0.0001	↓	0.01%
GBP	0.5439	0.0001	↓	0.02%
JPY	80.4490	0.0075	↓	0.01%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.93	
5-year Swap	2.70	
10-year Swap	3.20	

Commodities				
	Last		Change	
Spot Gold \$US	1,285.54	9.34	↓	0.72%
Spot Silver \$US	17.03	0.19	↓	1.07%
Oil(WTI)	51.86	0.41	↑	0.80%

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