

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 gains as threat of US govt shutdown weighs on greenback

The New Zealand dollar rose back above 73 US cents as the looming deadline for US policymakers to extend funding for the federal government to avoid a shutdown weighed on the greenback and pushed up US interest rates.

US legislators have a Jan. 19 deadline to extend funding measures to avoid freezing federal government functions and need buy-in from the Democratic opposition to pass legislation in the Senate, where the ruling Republican party holds a smaller majority. That uncertainty has weighed on the greenback and pushed the yield on US 10-year Treasuries to 2.61 percent, the highest they've been since March last year.

Local data today include the Business New Zealand-BNZ performance of manufacturing index, with investors focused on whether the slump in business confidence has stifled industrial production.

Wall St pauses after Dow climbs to record

Wall Street was mixed, after the Dow rose to a record high earlier in the day, as the latest corporate earnings proved a mixed bag too.

While Morgan Stanley's quarterly results exceeded expectations, those of Alcoa failed to meet the mark. Morgan Stanley shares rose 0.3 percent in early afternoon trading in New York, while those of Alcoa slumped 8.6 percent.

The Dow slid as declines in shares of Boeing and those of General Electric, recently down 2.5 percent and 2 percent respectively, outweighed gains in shares of Wal-Mart and those of UnitedHealth Group, each recently up 1.2 percent.

The latest US economic data were mixed as well. A Commerce Department showed housing starts dropped 8.2 percent to a seasonally adjusted annual rate of 1.192 million units in December.

Separately, a Labour Department showed initial claims for state unemployment benefits fell 41,000 to a seasonally adjusted 220,000 for the week ended January 13, the lowest level since 1973.

NZ shares mixed, Fisher & Paykel, Air NZ drop while Kiwi Property rebounds

New Zealand shares were mixed as Fisher & Paykel Healthcare fell on the stronger Kiwi dollar while property stocks rebounded from earlier selling.

Fisher & Paykel fell 1.7 percent to \$13.16. Ryman Healthcare led the index lower, down 3.5 percent to \$10.27, with Trustpower falling 2.2 percent to \$5.81.

Air New Zealand dropped 1.7 percent to \$2.89. Property companies, which have declined recently, rebounded somewhat. Kiwi Property Group gained 1.8 percent to \$1.39, Property for Industries gained 0.6 percent to \$1.665, and Argosy Property rose 0.5 percent to \$1.075.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,013.375	27.585	▼	0.31%
S&P/NZX 50 Index	8,272.672	24.998	▼	0.30%
S&P/NZX MidCap Index	24,426.537	60.097	▲	0.25%
S&P/NZX SmallCap Index	60,131.196	15.636	▲	0.03%
S&P/NZAX All Index	543.685	0.005	▲	0.00%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,130.40	3.90	▼	0.06%
S&P/ASX 200	6,014.60	1.20	▼	0.02%
ASX Small Ordinaries	2,753.10	19.20	▼	0.69%
S&P/ASX MIDCAP 50	6,734.90	25.30	▼	0.37%
S&P/ASX 20	3,353.00	8.30	▲	0.25%
Foreign Markets Index				
	Last	Change		
S&P 500	2,802.72	0.16	▲	0.01%
Dow Jones	26,059.08	56.57	▼	0.22%
NASDAQ Composite	7,310.06	11.78	▲	0.16%
FTSE	7,700.96	24.47	▼	0.32%
ASX All Ordinaries	6,130.40	3.90	▼	0.06%
NIKKEI 225	23,763.37	104.97	▼	0.44%
HANG SENG INDEX	32,121.94	138.53	▲	0.43%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9139	0.0010	▲	0.11%
USD	0.7310	0.0037	▲	0.51%
CNY	4.6910	0.0010	▲	0.02%
EUR	0.5970	0.0001	▼	0.02%
CAD	0.9086	0.0043	▲	0.48%
GBP	0.5261	0.0001	▼	0.02%
JPY	81.1115	0.1680	▲	0.21%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.75			
10-year Swap	3.24			
Commodities Futures				
	Last	Change		
Gold	1,328.20	11.00	▼	0.82%
Silver	16.98	0.19	▼	1.08%
Crude Oil	63.89	0.08	▼	0.13%

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

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