



MORNING REPORT

As at 9:00 AM 20-04-18

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 falls against broadly stronger greenback as US bond yields rise

The New Zealand dollar fell against a broadly stronger greenback in the face of rising yields on US Treasuries and expectations the US economy is strong enough to see the Federal Reserve continue hiking interest rates this year.

The consumers price index rose 0.5 percent in the three months to March 31, while annual inflation was 1.1 percent, Statistics New Zealand said. The result was in line with the median of 12 economists surveyed by Bloomberg and compares to the Reserve Bank's quarterly projection of 0.6 percent and 1.1 percent.

While traders debate whether the Fed will hike rates two or three more times this year, New Zealand first-quarter inflation data yesterday, with annual inflation slowing to a relatively tepid 1.1 percent, reinforced expectations the Reserve Bank won't raise interest rates anytime soon.

Inflation concern, tech worries weigh on Wall St

US stocks and Treasuries dropped on concern rising commodity prices, as the Trump administration's protectionist moves raised the spectre of a global trade war, will boost inflation and interest rates.

Some expect that the Federal Reserve, which has so far raised its key rate once this year and has flagged plans for at least two more, might steepen its hike path.

The Dow fell as declines in shares of Procter & Gamble and those of Intel, recently down 3.2 percent and 2.6 percent respectively, outweighed advances in shares of American Express and those of JPMorgan Chase, recently up 6.7 percent and 1.9 percent respectively.

Shares of Apple traded 2.8 percent weaker as of 2.23 in New York, while those of Nvidia traded 3.9 percent lower.

NZ shares rise led by Synlait, A2, Comvita as US earnings stoke global sentiment

New Zealand shares gained as the US earnings season helped lift sentiment toward equities. Growth-linked companies including Synlait Milk, A2 Milk, Comvita led gains in the local market.

Synlait climbed 3 percent to \$9.88 and is up 38 percent for the year while A2 advanced 2.8 percent to \$12.70, bringing its year-to-date gain to 58 percent. Comvita, another beneficiary of Chinese demand for New Zealand products, rose 2.3 percent to \$6.75.

Scales Corp, the apple grower and exporter, rose 2.3 percent to \$4.50. The company told BusinessDesk today that it is eyeing potential agribusiness acquisitions that would fit well with its export apple business.

On the Unlisted platform yesterday, monopoly kiwifruit exporter Zespri traded at a record \$8.35, becoming Unlisted's first \$1 billion company.

NZX Index

Index	Last	Change
S&P/NZX All Index	9,118.085	4.755 ▲ 0.05%
S&P/NZX 50 Index	8,373.028	3.538 ▲ 0.04%
S&P/NZX MidCap Index	24,134.976	39.614 ▼ 0.16%
S&P/NZX SmallCap Index	58,834.083	182.693 ▲ 0.31%
S&P/NZAX All Index	511.010	0.000 ▼ #VALUE!

ASX Index

Index	Last	Change
ASX All Ordinaries	5,976.40	20.10 ▲ 0.34%
S&P/ASX 200	5,881.00	19.60 ▲ 0.33%
ASX Small Ordinaries	2,711.20	14.30 ▲ 0.53%
S&P/ASX MIDCAP 50	6,733.40	45.40 ▲ 0.68%
S&P/ASX 20	3,236.40	10.30 ▲ 0.32%

Foreign Markets Index

	Last	Change
S&P 500	2,693.13	15.51 ▼ 0.57%
Dow Jones	24,664.89	83.18 ▼ 0.34%
NASDAQ Composite	7,238.06	57.18 ▼ 0.78%
FTSE	7,328.92	11.58 ▲ 0.16%
ASX All Ordinaries	5,976.40	20.10 ▲ 0.34%
NIKKEI 225	22,191.18	32.98 ▲ 0.15%
HANG SENG INDEX	30,708.44	424.19 ▲ 1.40%

Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9403	0.0005 ▼ 0.05%
USD	0.7270	0.0052 ▼ 0.71%
CNY	4.5630	0.0300 ▼ 0.65%
EUR	0.5887	0.0029 ▼ 0.49%
CAD	0.9204	0.0042 ▼ 0.45%
GBP	0.5161	0.0007 ▲ 0.14%
JPY	78.0520	0.4550 ▼ 0.58%

NZ Interest Rates

	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.75	
10-year Swap	3.19	

Commodities Futures

	Last	Change
Gold	1,348.40	5.10 ▼ 0.38%
Silver	17.26	0.02 ▲ 0.10%
Crude Oil	68.14	0.33 ▼ 0.48%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

Do you need to make any changes to your portfolio?
www.equity.co.nz E-mail: Info@equity.co.nz

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