

MORNING REPORT

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Top News

NZ dollar firms as Fed leaves door open to rate cuts

The New Zealand dollar got a lift when the US Federal Reserve signaled rate cuts ahead if the economic outlook weakens.

The Federal Reserve held the federal funds rate unchanged between 2.25 percent and 2.50 percent as expected but acknowledged that "uncertainties to the outlook have increased." It also removed the reference to remaining "patient" and now said it will "closely monitor the implications of incoming information."

Fed chairman Jerome Powell told a press conference that many on the open market committee see a strengthening case to cut rates, according to Dow Jones Newswires. Forecasts show that eight of 17 committee members are expecting a cut by year-end, eight see no change, and one forecast a hike, ANZ FX/Rates strategist Sandeep Parekh said.

Economists polled by Bloomberg predict gross domestic product expanded 0.6 percent in the three months ended March 31 and 2.4 percent from a year earlier. The Reserve Bank is forecasting quarterly growth of 0.4 percent.

NZX50 hits record; prospect of lower rates drives yield hunt

The S&P/NZX 50 Index hit a record, amid a global rally, as investors prepare for even lower interest rates and pursue stocks offering reliable dividends. Blue-chip companies such as Auckland International Airport were among today's gainers.

European Central Bank president Mario Draghi spurred demand for equities after indicating easier monetary policy was on the cards in Europe, while investors awaiting the Federal Reserve's latest policy meeting also expect the world's biggest central bank will indicate a track for lower interest rates. China's Shanghai Composite Index was up 1.5 percent in afternoon trading, while South Korea's Kospi 200 Index rose 1.4 percent, and Australia's S&P/ASX 200 Index increased 1.1 percent.

The biggest companies on the benchmark index were among the top performers today. Fisher & Paykel Healthcare led the market higher, up 3.2 percent at \$15.40 on 347,000 shares, about half its 90-day average of 647,000. A2 Milk increased 1.2 percent to \$14.41 on 603,000 shares, below its usual volume of 818,000.

Auckland Airport rose 3 percent to \$9.03 on 996,000 shares, down on its usual 1.3 million, while Meridian Energy increased 2.7 percent to \$4.62 on 1.1 million shares, down on its 1.4 million average.

Property stocks also fared well on busier trading volumes than normal. Precinct Properties New Zealand rose 2.7 percent to \$1.73 on a volume of 1.5 million shares, Kiwi Property Group increased 1.9 percent to \$1.60 with 2.1 million shares changing hands. Goodman Property Trust advanced 1.6 percent to \$1.90 on a volume of 1.3 million.

Pushpay Holdings climbed 2.6 percent to \$3.90 on a volume of 1.3 million, more than twice its usual activity.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,133.02	118.93	▲ 1.08%
S&P/NZX 50 Index	10,304.83	113.50	▲ 1.11%
S&P/NZX MidCap Index	29,656.55	202.47	▲ 0.69%
S&P/NZX SmallCap Index	59,907.33	191.43	▲ 0.32%
S&P/NZAX All Index	561.31	0.00	▼ 0.00%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,728.50	80.60	▲ 1.21%
S&P/ASX 200	6,648.10	78.10	▲ 1.19%
ASX Small Ordinaries	2,873.00	36.50	▲ 1.29%
S&P/ASX MIDCAP 50	6,966.10	92.90	▲ 1.35%
S&P/ASX 20	3,733.50	43.90	▲ 1.19%
Foreign Markets Index			
	Last	Change	
S&P 500	2,926.46	8.71	▲ 0.30%
Dow Jones Industrial Average	26,504.00	38.46	▲ 0.15%
NASDAQ Composite	7,987.32	33.44	▲ 0.42%
DAX PERFORMANCE-INDEX	12,308.53	23.22	▼ 0.19%
ASX All Ordinaries	6,728.50	80.60	▲ 1.21%
NIKKEI 225	21,333.87	361.16	▲ 1.72%
HANG SENG INDEX	28,202.14	703.37	▲ 2.56%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9499	0.0002	▲ 0.02%
USD	0.65	-0.0001	▼ 0.02%
CNY	4.5140	0.0000	▲ 0.00%
EUR	0.58	0.0001	▲ 0.02%
CAD	0.8677	-0.0005	▼ 0.06%
GBP	0.52	0.0001	▲ 0.02%
JPY	70.6630	-0.0055	▼ 0.01%
NZ Interest Rates			
	Last	Change	
NZ OCR	1.50		
3m Bank Bill	1.59		
5y Swap	1.44		
10y Swap	1.80		
Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,364.30	13.60	▲ 1.01%
Silver	15.15	0.16	▲ 1.08%
Crude Oil	54.18	0.28	▲ 0.52%

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