

## Morning Report

As at 8:45 AM 21 August 2017

### Top News

#### NZ dollar gains as Bannon ousted, Jackson Hole looms; Labour gains in poll

The New Zealand dollar rose as news that US President Donald Trump had dumped adviser Steve Bannon kept politics to the fore and traders looked ahead to the central bank meeting at Jackson Hole, Wyoming, where Federal Reserve chair Janet Yellen is due to speak.

The White House confirmed on Friday that Bannon is the latest adviser to leave the administration and there was debate among traders on whether that could encourage Trump to push policies he campaigned on that would aid the US economy, such as tax cuts.

Locally today traders will be watching for travel and migration data for July to see whether net immigration, a key plank of the economy's growth, is continuing at record levels.

Meanwhile, the NZ Herald reported that an internal UMR poll for Labour showed the main opposition party had gained 1 point to 37 percent while National was down 3 points to 40 percent, while the Greens were steady on 8 percent, indicating the election may not be a shew-in for National as some had been expecting.

#### World Week Ahead: Eyes on White House, Yellen

As central bankers from around the world including Federal Reserve chair Janet Yellen set to gather for their annual meeting in Jackson Hole, Wyoming, investors are closely watching the intensifying turmoil in the White House.

For the week, the Dow retreated 0.8 percent, while the S&P 500 gave up 0.7 percent, and the Nasdaq slid 0.6 percent. While Wall Street's fear gauge — the CBOE Volatility Index or the VIX — fell 8.3 percent to 14.26 on Friday, it remains elevated from recent lows.

The latest US economic data will show up in the form of reports on the Chicago Fed national activity index, due today; FHFA house price index, and the Richmond Fed manufacturing index, due Tuesday; new home sales, due Wednesday; weekly jobless claims, PMI Composite, existing home sales, and the Kansas City Fed manufacturing index, due Thursday; and durable goods orders, due Friday.

#### NZ shares up, Tourism Holdings and Fletcher Building gain while CBL drops

New Zealand shares inched up, defying global market trends, with Tourism Holdings and Fletcher Building gaining while CBL Corp plunged.

Tourism Holdings was the best performer, up 2.1 percent to \$4.45, while Meridian Energy rose 1.5 percent to \$2.96 and Air New Zealand gained 1.2 percent to \$3.39.

Fletcher Building gained 0.6 percent to \$8.47, a three-month high. Today's rise marks the sixth consecutive session of gains for the country's biggest construction company, which yesterday reported a 23 percent fall in operating earnings, weighed down by unprofitable building contracts that it's still working through but in line with warnings it had already given the market.

NZX Index				
Index	Last	Change		
<b>S&amp;P/NZX All Index</b>	8,532.80	5.01	↑	0.06%
<b>S&amp;P/NZX 50 Index</b>	7,873.54	3.49	↑	0.04%
<b>S&amp;P/NZX Mid Cap Index</b>	22,410.58	39.31	↓	0.18%
<b>S&amp;P/NZX Small Cap</b>	53,449.21	60.63	↓	0.11%
<b>S&amp;P/NZAX All Index</b>	558.02	1.42	↑	0.26%

ASX Index				
Index	Last	Change		
<b>ALL ORDINARIES</b>	5,798.5	28.7	↓	0.49%
<b>S&amp;P/ASX 200</b>	5,747.1	32.1	↓	0.56%
<b>S&amp;P/ASX SMALL ORD</b>	2,409.8	4.6	↓	0.19%
<b>S&amp;P/ASX MIDCAP 50</b>	6,307.3	0.3	↓	0.00%
<b>S&amp;P/ASX 20</b>	3,245.1	25.7	↓	0.79%

Foreign Markets Index				
	Last	Change		
<b>S&amp;P 500</b>	2,425.55	4.46	↓	0.18%
<b>DJIA</b>	21,674.51	76.22	↓	0.35%
<b>Nasdaq</b>	6,216.53	5.38	↓	0.09%
<b>FTSE 100</b>	7,323.98	63.89	↓	0.86%
<b>ALL ORDINARIES</b>	5,798.50	28.70	↓	0.49%
<b>Nikkei 225</b>	19,470.41	232.22	↓	1.18%
<b>Hang Seng</b>	27,047.57	296.65	↓	1.08%

Currencies (per NZ\$ 1.00)				
	Last	Change		
<b>AUD</b>	0.9221	0.0003	↑	0.03%
<b>USD</b>	0.7314	0.0003	↑	0.04%
<b>CNY</b>	4.8780	0.0020	↑	0.04%
<b>EUR</b>	0.6219	0.0004	↑	0.06%
<b>CAD</b>	0.9188	0.0008	↓	0.09%
<b>GBP</b>	0.5683	0.0005	↑	0.09%
<b>JPY</b>	79.9650	0.1400	↑	0.18%

NZ Interest Rates		
	Last	Change
<b>NZ OCR</b>	1.75	
<b>3-month Bank Bill</b>	1.95	
<b>5-year Swap</b>	2.64	
<b>10-year Swap</b>	3.13	

Commodities				
	Last	Change		
<b>Spot Gold \$US</b>	1,283.97	0.39	↑	0.03%
<b>Spot Silver \$US</b>	16.96	0.01	↑	0.06%
<b>Oil(WTI)</b>	48.51	1.45	↑	3.08%

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