

MORNING REPORT

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Top News

NZ dollar little changed near 17-month low ahead of dairy auction

The New Zealand dollar was little changed against the greenback ahead of tonight's dairy auction and held onto its gains versus the euro amid political uncertainty in Germany.

Tonight's GlobalDairyTrade auction comes after three consecutive declines in dairy product prices and against a backdrop of commodity currencies being generally out of favour. Ahead of the auction there is little of note on the domestic economic calendar.

The kiwi gained against the euro yesterday after German coalition talks stalled when the Free Democratic Party said it couldn't work with the Green party. German chancellor Angela Merkel said she would prefer new elections than to persist with a minority government.

Wall Street moves higher

Wall Street climbed amid optimism that the outlook for corporate profits and economic growth justify valuations as the Trump administration aims to move ahead on its tax reform plans.

The Dow advanced as gains in shares of 3M and those of the Home Depot, recently up 1.8% and 1.6% respectively, outweighed declines in shares of Merck and those of General Electric, recently down 2.3% and 1.8% respectively.

Shares of Merck declined as those of its Swiss rival Roche Holding rallied, closing 5.9% higher in Zurich. Roche announced successful results in two studies on cancer and hemophilia treatments.

NZ shares up, Metro Glass gains on 1H results and Kathmandu, Fisher & Paykel gain ahead of earnings

New Zealand shares rose, led by Kathmandu Holdings ahead of its annual meeting while Metro Performance Glass gained on its first-half earnings.

Fisher & Paykel rose 2.4% to \$13.88, ahead of its first-half earnings tomorrow. Ryman gained 0.3% to \$9.25; its first-half results are due on Thursday. Kathmandu Holdings led the index higher, up 5.3% to \$2.60. The company's annual meeting is due to be held in Melbourne on Friday morning. The stock has gained 27% this year.

Metro Performance Glass rose 4.6% to 92 cents. The company posted a 2.6% gain in first-half profit to \$11.8 million, in line with its guidance last month, and gave a forecast for a little changed full-year result. Sales jumped 22% to \$141.7 million, helped by a full six-month contribution from Australian Glass Group, acquired last year for A\$43.1 million.

Synlait Milk rose 4.1% to \$7.39, while A2 Milk Co, which Synlait supplies and whose share price movements it usually follows, dropped 1% to \$7.84.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,774.39	33.46	↑	0.38%
S&P/NZX 50 Index	8,089.80	27.82	↑	0.35%
S&P/NZX Mid Cap Index	24,076.41	115.91	↑	0.48%
S&P/NZX Small Cap	55,762.42	425.11	↑	0.77%
S&P/NZAX All Index	552.27	2.76	↓	0.50%
ASX Index				
Index	Last	Change		
ALL ORDINARIES	6,028.0	10.30	↓	0.17%
S&P/ASX 200	5,945.7	11.60	↓	0.20%
S&P/ASX SMALL ORD	2,649.9	7.90	↓	0.30%
S&P/ASX MIDCAP 50	6,593.5	32.90	↓	0.50%
S&P/ASX 20	3,305.7	2.30	↓	0.07%
Foreign Markets Index				
	Last	Change		
S&P 500	2,583.62	4.77	↑	0.18%
DJIA	23,444.69	86.45	↑	0.37%
Nasdaq	6,789.43	6.64	↑	0.10%
FTSE 100	7,389.46	8.78	↑	0.12%
ALL ORDINARIES	6,028.00	10.30	↓	0.17%
Nikkei 225	22,261.76	135.04	↓	0.60%
Hang Seng	29,260.31	61.27	↑	0.21%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9021	0.0025	↑	0.28%
USD	0.6807			
CNY	4.5140	0.0020	↓	0.04%
EUR	0.5802	0.0028	↑	0.48%
CAD	0.8720	0.0028	↑	0.32%
GBP	0.5143	0.0007	↓	0.14%
JPY	76.6995	0.3590	↑	0.47%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.63			
10-year Swap	3.12			
Commodities				
	Last	Change		
Spot Gold \$US	1,276.35	17.44	↓	1.35%
Spot Silver \$US	16.90	0.39	↓	2.27%
Oil(WTI)	55.89	0.66	↓	1.17%

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