

Morning Report

As at 8:50 AM 22 August 2017

Top News

NZ dollar gains against broadly weaker greenback as South Korean exercises get underway

The New Zealand dollar rose against a broadly weaker greenback as US joint exercises with South Korea put tensions with the North back into focus while the lack of economic news had traders looking ahead to the central banker symposium at Jackson Hole.

The US and South Korea yesterday began their annual joint military exercises named Ulchi-Freedom Guardian, which North Korea seized on as being "aimed to ignite a nuclear war on the Korean peninsula at any cost," according to the North's state media. With little economic news scheduled, the meeting of central bankers in Wyoming later in the week is being keenly awaited, with Federal Reserve chair Janet Yellen and European Central Bank president Mario Draghi due to speak.

While you were sleeping: Wall St mixed

Wall Street was mixed as investors awaited the annual meeting of central bankers in Jackson Hole, Wyoming, where Federal Reserve Chair Janet Yellen is set to speak on Friday.

US Treasuries were steady, with the yield on the 10-year note at 2.19%, near the lowest in seven weeks.

Wall Street's fear gauge—the CBOE Volatility Index or the VIX—fell 4% to 13.69.

The Dow moved higher as gains in shares of Home Depot and those of Cisco, up 1.3% and 1.2% respectively recently, outweighed declines in shares of Nike and those of Goldman Sachs, down 2.9% and 1.1% respectively.

NZ shares down in calm before earnings storm; Metlifecare, Sky TV drop, Argosy, Air NZ gain

New Zealand shares edged lower ahead of a busy week of corporate earnings, with Metlifecare and Sky Network Television dropping while Argosy Property and Air New Zealand gained. Metlifecare led the index lower, down 1.7% to \$5.81, while Sky Network Television dropped 1.6% to \$3.18.

CBL Corp continued last week's selling, down 1.5% to \$3.35. The stock dropped nearly 10% on Friday after the company said first-half operating earnings fell 36%, largely due to a \$16.5 million increase in CBL Insurance's reserves to cover future claims, although revenue growth was still strong.

Vista Group International was unchanged at \$5.52. It has bought a 60% stake in Mexico's Senda Direccion Tecnologica, giving it control of the Latin American reseller of the cinema analytics firm's services. The Auckland-based company issued 115,764 shares, or about 0.1% of Vista, at a nominal price of \$5.91 apiece as a partial payment for the 60% stake in Senda.

Heartland Bank gained 1.1% to \$1.88. It is offering up to \$150 million of five-year fixed rate bonds to institutional and New Zealand retail investors and the funds will be used for general corporate purposes.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,523.86	8.94	↓	0.10%
S&P/NZX 50 Index	7,867.78	5.77	↓	0.07%
S&P/NZX Mid Cap Index	22,411.67	1.08	↑	0.00%
S&P/NZX Small Cap	53,160.85	288.36	↓	0.54%
S&P/NZAX All Index	557.03	0.99	↓	0.18%

ASX Index				
Index	Last	Change		
ALL ORDINARIES	5,780.0	18.5	↓	0.32%
S&P/ASX 200	5,725.9	21.2	↓	0.37%
S&P/ASX SMALL ORD	2,401.8	8.0	↓	0.33%
S&P/ASX MIDCAP 50	6,203.3	104.0	↓	1.68%
S&P/ASX 20	3240.9	4.2	↓	0.13%

Foreign Markets Index				
	Last	Change		
S&P 500	2,428.37	2.82	↑	0.12%
DJIA	21,703.75	29.24	↑	0.13%
Nasdaq	6,213.13	3.40	↓	0.05%
FTSE 100	7,318.88	5.10	↓	0.07%
ALL ORDINARIES	5,780.00	18.50	↓	0.32%
Nikkei 225	19,393.13	77.28	↓	0.40%
Hang Seng	27,154.68	107.11	↑	0.40%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9229	0.0004	↑	0.04%
USD	0.7325	0.0012	↑	0.16%
CNY	4.8810	0.0030	↑	0.06%
EUR	0.6201	0.0018	↓	0.29%
CAD	0.9205	0.0002	↑	0.02%
GBP	0.5680	0.0002	↓	0.04%
JPY	79.8325	0.1165	↓	0.15%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.65	
10-year Swap	3.15	

Commodities				
	Last	Change		
Spot Gold \$US	1,291.11	7.14	↑	0.56%
Spot Silver \$US	16.99	0.03	↑	0.19%
Oil(WTI)	47.39	1.12	↓	2.31%

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