

MORNING REPORT

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Top News

NZ dollar gains vs greenback on Fed's 'gradual hikes' view, at 6-month high vs Aussie

The New Zealand dollar rose against the greenback after the Federal Reserve minutes showed policymakers still favour gradual rate hikes. It rose to a six-month high versus the Aussie after weaker economic data across the Tasman.

The minutes of the Fed's Jan. 30-31 policy meeting, the last with Janet Yellen as chair, said committee members agreed that an improved near-term economic outlook "increased the likelihood that a gradual upward trajectory of the federal funds rate would be appropriate.

Amazon, tech stocks lift Wall St

Wall Street climbed, bolstered by gains in shares of Amazon and other tech shares, as investors eyed the latest clues on the pace of Federal Reserve interest rate increases.

Wall Street gained, as did the US dollar, ahead of Wednesday's release of the minutes from the Federal Reserve's January meeting, the final one chaired by Janet Yellen.

The Dow moved higher as gains in shares of United Technologies and those of JPMorgan Chase, recently up 3 percent and 1.7 percent respectively, outweighed slides in shares of Walmart and those of General Electric, down 2.3 percent and 1.5 percent respectively.

Shares of Glencore climbed after the mining and commodities trading company reported results it called its "strongest on record" and boosted its dividend payout to investors to US\$2.9 billion as it benefitted from higher commodity prices and cost cuts.

NZ shares up on A2's 27% surge; Synlait, Fletcher, Spark drop

New Zealand shares rose as A2 Milk Co surged on its tie-up with Fonterra Cooperative Group, while Synlait Milk, Fletcher Building and Spark New Zealand dropped.

A2 shot up 26.5 percent to a record \$11.75 today, dragging the index with it after reporting a record first-half result and a new deal with Fonterra. The company announced it had more than doubled first-half profit to \$98.5 million on strong infant formula sales as sales climbed 70 percent to \$434.6 million.

The milk marketing firm used its first-half result to unveil a strategic partnership with Fonterra, which will exclusively supply a2 with A1 protein-free milk products in bulk powder and consumer packaged forms, in exchange for an exclusive license to produce, sell and market a2 branded fresh milk for the New Zealand market. The two companies will establish an A1 protein-free milk pool in New Zealand and a new A1 protein-free milk pool in Australia.

Fletcher Building was the worst performer, down 7 percent to \$6.39.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,912.219	104.829	▲	1.19%
S&P/NZX 50 Index	8,200.269	101.999	▲	1.26%
S&P/NZX MidCap Index	23,525.519	54.831	▼	0.23%
S&P/NZX SmallCap Index	56,889.650	38.440	▼	0.07%
S&P/NZAX All Index	564.732	3.782	▲	0.67%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,047.30	1.70	▲	0.03%
S&P/ASX 200	5,943.70	2.80	▲	0.05%
ASX Small Ordinaries	2,714.00	11.30	▲	0.42%
S&P/ASX MIDCAP 50	6,745.50	89.80	▲	1.35%
S&P/ASX 20	3,291.80	10.30	▼	0.31%
Foreign Markets Index				
	Last	Change		
S&P 500	2,733.51	17.25	▲	0.64%
Dow Jones	25,118.57	153.82	▲	0.62%
NASDAQ Composite	7,302.26	67.95	▲	0.94%
FTSE	7,281.57	34.80	▲	0.48%
ASX All Ordinaries	6,047.30	1.70	▲	0.03%
NIKKEI 225	21,970.81	45.71	▲	0.21%
HANG SENG INDEX	31,431.89	558.26	▲	1.81%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9373	0.0054	▲	0.58%
USD	0.7362	0.0014	▲	0.19%
CNY	4.6660	0.0050	▲	0.11%
EUR	0.5971	0.0016	▲	0.27%
CAD	0.9313	0.0020	▲	0.22%
GBP	0.5267	0.0018	▲	0.34%
JPY	79.2130	0.3570	▲	0.45%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.72			
10-year Swap	3.26			
Commodities Futures				
	Last	Change		
Gold	1,331.20	0.00	▲	0.00%
Silver	16.62	0.18	▲	1.11%
Crude Oil	61.33	0.46	▼	0.74%

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