

MORNING REPORT

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Top News

NZ dollar gains as Fed hikes rates, sticks to projection of two more in 2018

The New Zealand dollar rose after the US Federal Reserve hiked interest rates as expected and stuck to its projection for two more increases this year - one less some in the market had bet on. By contrast, the Reserve Bank is expected to keep kiwi interest rates unchanged this morning.

The US dollar index fell after the Fed said the US economic outlook "has strengthened in recent months" and lifted its estimate for the long-term level at which monetary policy has a neutral impact on growth. Some traders had been expecting three more hikes this year. The Fed raised the fed funds rate a quarter point to a range of 1.50 percent to 1.75 percent, with the top of the range now in line with the RBNZ's official cash rate.

Wall St gains with oil before Fed decision

Wall Street gained as the US Federal Reserve is expected to announce an interest rate increase and provide updated economic and rate forecasts.

US Treasuries slipped, bolstering the yield on the 10-year note one basis point to 2.90 percent. The greenback also weakened.

The Dow moved higher as gains in shares of Chevron and those of DowDuPont, recently up 2.4 percent and 2.2 percent respectively, outweighed declines in shares of Procter & Gamble and those of Apple, down 1 percent and 0.6 percent respectively.

Shares of Chevron and those of Exxon Mobil, the latter up 1.4 percent recently, gained with the price of oil. West Texas Intermediate crude climbed to the highest in almost seven weeks after an Energy Information Administration report showed a surprise drop in US crude inventories, which declined 2.6 million barrels in the week to March 16.

NZX 50 rises to record; Synlait jumps to all-time high after earnings

New Zealand's S&P/NZX 50 Index rose to a record led by Synlait Milk, which jumped to an all-time high after posting strong first-half earnings growth. Synlait's partner A2 Milk Co also gained, along with Kathmandu Holdings and the Fonterra Shareholders' Fund.

Synlait Milk led the gainers, rising 14 percent to \$9.23. The company posted a record first-half net profit on increases in the manufacture and sales of high-margin products and its relationship with a2 Milk. Profit jumped to \$40.7 million in the six months ended Jan. 31, from \$10.2 million a year earlier, as revenue rose to \$439.3 million from \$288.7 million in the prior period.

A2 Milk itself rose 3.6 percent to \$13.99, Mercury New Zealand gained 3 percent to \$3.255 and Kathmandu Holdings advanced 2.9 percent to \$2.47.

Kathmandu Holdings gained 2.9 percent to \$2.47. The outdoor equipment retailer successfully raised \$40 million through an institutional share placement of approximately 18.5 million new fully paid ordinary shares.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,358.139	127.449	▲	1.38%
S&P/NZX 50 Index	8,608.291	121.141	▲	1.43%
S&P/NZX MidCap Index	24,412.756	205.446	▲	0.85%
S&P/NZX SmallCap Index	59,141.258	334.918	▲	0.57%
S&P/NZAX All Index	553.545	6.795	▼	1.21%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,053.10	12.30	▲	0.20%
S&P/ASX 200	5,950.30	13.90	▲	0.23%
ASX Small Ordinaries	2,747.60	8.80	▲	0.32%
S&P/ASX MIDCAP 50	6,839.30	20.80	▲	0.31%
S&P/ASX 20	3,291.40	9.40	▲	0.29%
Foreign Markets Index				
	Last	Change		
S&P 500	2,712.58	4.36	▼	0.16%
Dow Jones	24,688.82	38.45	▼	0.16%
NASDAQ Composite	7,346.56	17.75	▼	0.24%
FTSE	7,038.97	22.30	▼	0.32%
ASX All Ordinaries	6,053.10	12.30	▲	0.20%
NIKKEI 225	21,380.97	99.93	▼	0.47%
HANG SENG INDEX	31,414.52	135.41	▼	0.43%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9308	0.0031	▼	0.33%
USD	0.7229	0.0056	▲	0.78%
CNY	4.5720	0.0270	▲	0.59%
EUR	0.5862	0.0003	▲	0.05%
CAD	0.9335	0.0043	▼	0.46%
GBP	0.5113	0.0011	▼	0.21%
JPY	76.6705	0.2530	▲	0.33%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.72			
10-year Swap	3.19			
Commodities Futures				
	Last	Change		
Gold	1,335.00	23.10	▲	1.76%
Silver	16.61	0.43	▲	2.66%
Crude Oil	65.50	1.96	▲	3.08%

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