

MORNING REPORT

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Top News

NZ dollar gains with global risk sentiment, even after dairy prices fall

The New Zealand dollar rose as a key measure of risk sentiment improved with the kiwi stronger even after dairy prices fell for the fourth straight dairy auction in a row.

In the US, the Standard & Poor's 500 Index rose above 2,600 for the first time while the Chicago Board Options Exchange Volatility Index (VIX), known as Wall Street's fear gauge, tumbled more than 7% to a reading of 9.88.

The local currency gained after the GlobalDairyTrade auction, even though it showed the GDT price index fell 3.4% and whole milk powder dropped 2.7% to US\$2,778 a tonne.

Wall St renews record highs

Wall Street climbed to fresh record highs as better-than-expected corporate earnings such as from Medtronic bolstered optimism about the outlook for profits.

Goldman Sachs raised its 2018 target for the S&P 500 to 2,850 from 2,500, citing an expansion in profits and valuations, according to Bloomberg. Shares of Medtronic jumped, trading 5.3% higher as of 1.27pm in New York, after the medical device maker posted better-than-expected quarterly results.

The Dow also ascended to a fresh record high, touching 23,617.48, as gains in shares of Apple and those of 3M, recently up 1.8% and 1.6% respectively, outweighed slides in shares of Wal-Mart Stores and those of Nike, recently down 0.6% and 0.1% respectively.

NZ shares down on Kathmandu, Fisher & Paykel results while A2 gains

New Zealand shares dropped, led lower by Kathmandu Holdings and Fisher & Paykel Healthcare following trading updates, while A2 Milk Co met investor hopes at its annual meeting today.

Kathmandu Holdings led the index lower, down 4.6% to \$2.48. The outdoor equipment retailer, set to hold its annual meeting on Friday, said its first-quarter earnings were up despite sales dipping as it widened margins by selling less sale stock.

Fisher & Paykel Healthcare dropped 4.5% to \$13.25. New Zealand's biggest listed company increased first-half profit 4% to \$81.3 million, widened its margins, and lifted its forecast for full-year earnings to the top end of its range.

A2 Milk Co was the best performer, up 5.4% to \$8.26. The milk marketer said both revenue and net profit jumped in the first four months of the current financial year as it continues to benefit from strong demand for its infant formula.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,775.72	1.32	↑	0.02%
S&P/NZX 50 Index	8,088.47	1.32	↓	0.02%
S&P/NZX Mid Cap Index	24,223.69	147.28	↑	0.61%
S&P/NZX Small Cap	56,001.89	239.47	↑	0.43%
S&P/NZAX All Index	553.69	1.42	↑	0.26%

ASX Index				
Index	Last	Change		
ALL ORDINARIES	6,044.2	16.20	↑	0.27%
S&P/ASX 200	5,963.5	17.80	↑	0.30%
S&P/ASX SMALL ORD	2,661.6	11.70	↑	0.44%
S&P/ASX MIDCAP 50	6,625.0	31.50	↑	0.48%
S&P/ASX 20	3,313.0	7.30	↑	0.22%

Foreign Markets Index				
	Last	Change		
S&P 500	2,599.86	17.72	↑	0.69%
DJIA	23,599.09	168.76	↑	0.72%
Nasdaq	6,859.92	69.21	↑	1.02%
FTSE 100	7,411.34	21.88	↑	0.30%
ALL ORDINARIES	6,044.20	16.20	↑	0.27%
Nikkei 225	22,416.48	154.72	↑	0.70%
Hang Seng	29,818.07	557.76	↑	1.91%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9016	0.0004	↓	0.04%
USD	0.6837	0.0028	↑	0.41%
CNY	4.5300	0.0150	↑	0.33%
EUR	0.5822	0.0019	↑	0.33%
CAD	0.8735	0.0006	↑	0.07%
GBP	0.5186	0.0020	↑	0.39%
JPY	76.8680	0.1915	↑	0.25%

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	1,280.85	4.14	↑	0.32%
Spot Silver \$US	16.96	0.06	↑	0.33%
Oil(WTI)	56.66	0.77	↑	1.38%

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